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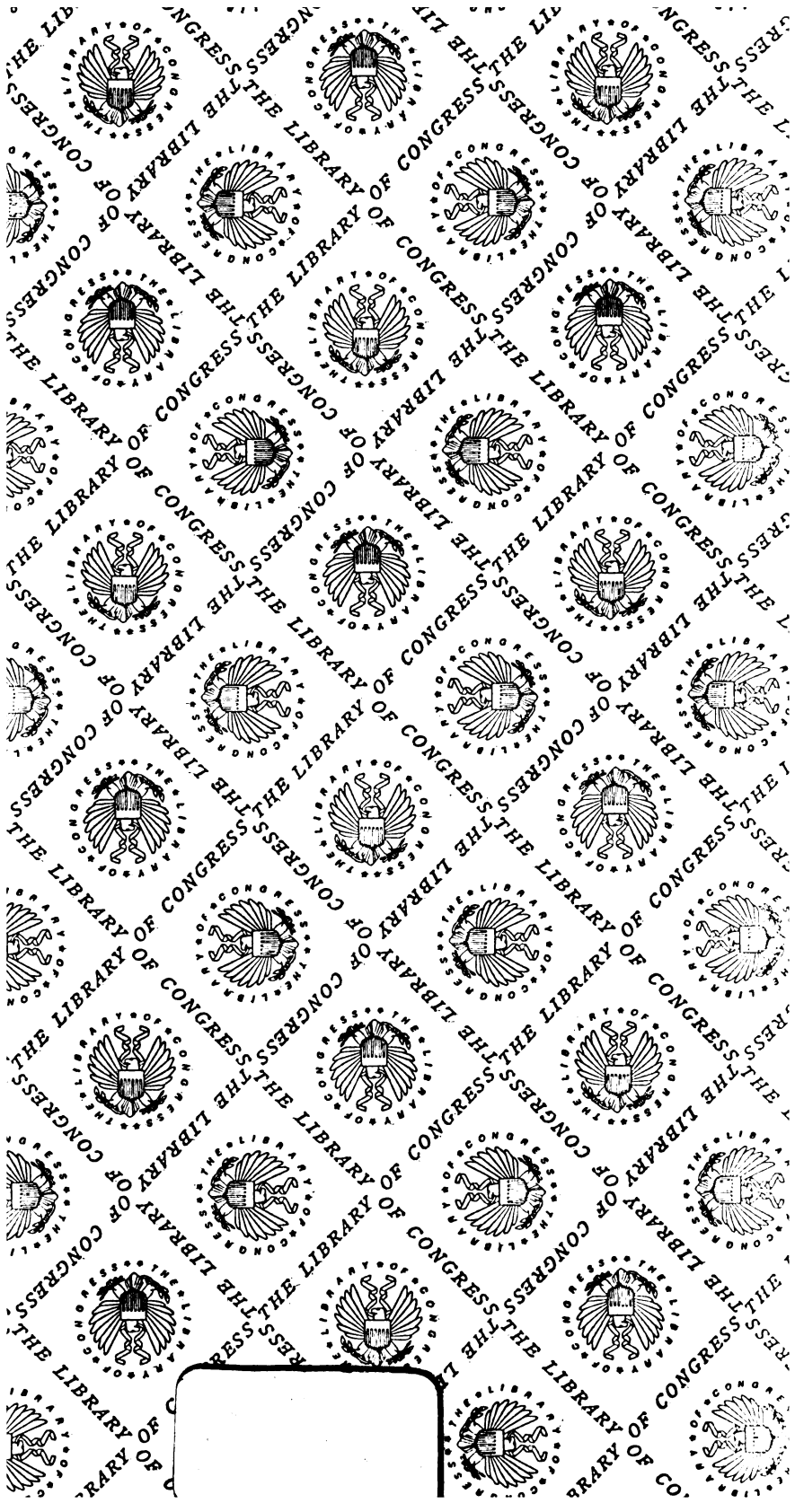
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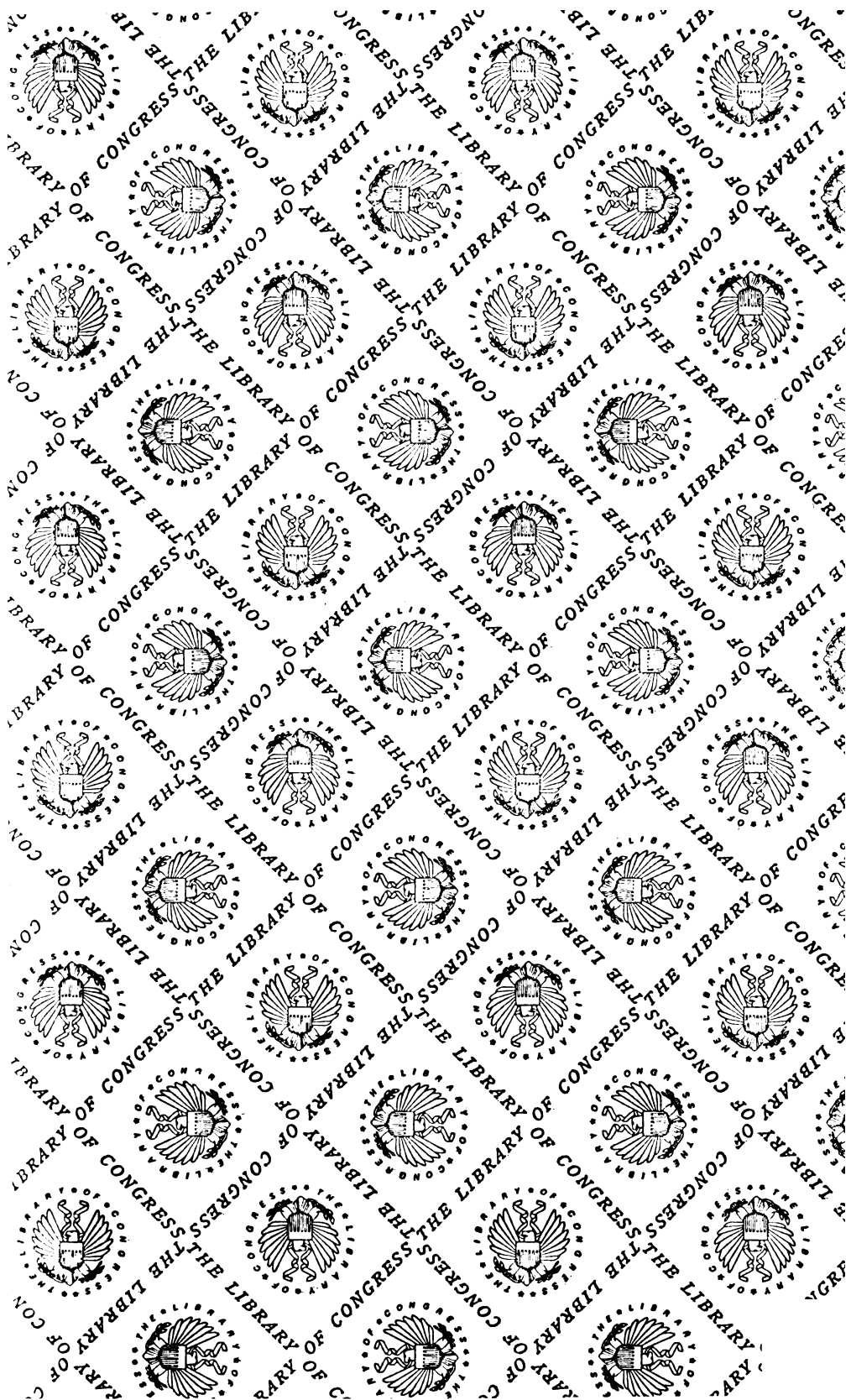
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HEARINGS

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BEFORE

U.S.C.

SUBCOMMITTEE OF HOUSE COMMITTEE ON APPROPRIATIONS

CONSISTING OF

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MESSRS. TAWNEY, VREELAND, KEIFER, BRUNDIDGE, Jr.,
AND LIVINGSTON

IN CHARGE OF

DEFICIENCY APPROPRIATIONS FOR 1908 AND PRIOR YEARS

ON

GENERAL DEFICIENCY BILL

WASHINGTON

GOVERNMENT PRINTING OFFICE

1908

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GENERAL DEFICIENCY BILL.

TUESDAY, *May 12, 1908.*

REVENUE-CUTTER SERVICE.

STATEMENT OF CAPTAIN WORTH G. ROSS, CHIEF, ACCOMPANIED BY LIEUTENANT F. C. BILLARD.

The CHAIRMAN. Captain Ross, you have a deficiency here of \$19,982.38 for the Revenue-Cutter Service.

Captain Ross. Yes, sir. That is required to cover the increase in the compensation of the officers of the Revenue-Cutter Service during the remainder of the current fiscal year, in accordance with the provisions of the act making appropriations for the support of the Army. Our law reads that "the commissioned officers of the United States Revenue-Cutter Service shall hereafter receive the same pay and allowances, except forage, as are now or may hereafter be provided by law for officers of the corresponding rank in the Army, including longevity pay." The pay of our service corresponds exactly to the pay of the Army.

The CHAIRMAN. So you get your pay automatically increased?

Captain Ross. Yes, sir; automatically.

The CHAIRMAN. In addition to the increase that the law gave you that passed this session?

Captain Ross. You mean the law of April 16?

The CHAIRMAN. Yes.

Captain Ross. That did not increase the pay of the officers. It gave us additional rank, and the increase of pay was due to that additional rank. It did not increase the noncommissioned officers' pay except for rank.

The CHAIRMAN. You get an amount in addition now to what the act of April 16 gave you?

Captain Ross. Yes; for those who have an increase of rank.

The CHAIRMAN. Those who have an increase of rank get two increases of pay at this session of Congress. You get an increase of rank under the act of April 16, which gives you an increase of pay?

Captain Ross. It gives us the pay of that rank in the Army.

The CHAIRMAN. And is an increase over what these officers whose rank has been increased had previously received?

Captain Ross. Yes; that is the idea.

The CHAIRMAN. And in addition to that you get another automatic raise—

Captain Ross. That was not automatic before. In addition to that our officers receive pay of officers of the Army.

The CHAIRMAN. I think your service is very fortunate.

Captain Ross. I think it is myself.

The CHAIRMAN. You are getting automatic increases without asking for them.

Captain Ross. Of course when the law was passed it was understood that our service would get the benefit of it.

The CHAIRMAN. This \$19,982 increase is due to the passage of the act increasing the pay of the officers of the Army?

Captain Ross. Yes.

The CHAIRMAN. What dates do you compute this increase from?

Captain Ross. This estimate is from yesterday.

The CHAIRMAN. Was the army bill signed yesterday?

Captain Ross. We thought probably the army bill would be signed yesterday. It may not be signed until to-day. It is only a difference of one or two days.

The CHAIRMAN. You thought you would get in ahead of the Army this time. They have not got their estimate in yet.

Captain Ross. They have the money to pay, as I understand it, but we want you to get this in on your deficiency bill. It is only a matter of two or three days one way or other.

The CHAIRMAN. How many officers receive an increase under this army bill?

Captain Ross. All the officers receive an increase.

The CHAIRMAN. How many are there?

Captain Ross. Two hundred and twenty-one on the active list, and then there are others on the retired list.

The CHAIRMAN. How many are there on the retired list?

Captain Ross. About sixty-five.

The CHAIRMAN. They get their pay increased automatically, too, do they?

Captain Ross. They get the same increase as they do in the Army.

The CHAIRMAN. Do all the officers of the Revenue-Cutter Service get the benefit of the increase authorized in the army bill?

Captain Ross. All of the officers of the Revenue-Cutter Service; yes, sir.

The CHAIRMAN. Have you not got the rank of third lieutenant?

Captain Ross. A third lieutenant ranks with a second lieutenant in the Army and with an ensign in the Navy. We have the rank of third lieutenant. Our lieutenants are first, second, and third grade, and they correspond in the Army with captain, first lieutenant, and second lieutenant.

The CHAIRMAN. Then the first lieutenant in the Revenue-Cutter Service gets the same pay as a captain in the Army, and gets the corresponding increase?

Captain Ross. Yes.

The CHAIRMAN. Do the officers in your service get the same allowance as officers in the Army?

Captain Ross. Yes, except forage.

MONDAY, May 11, 1908.

SAN JOSE, CALIFORNIA, POST-OFFICE BUILDING.

**STATEMENT OF HON. E. A. HAYES, A MEMBER OF CONGRESS
FROM THE STATE OF CALIFORNIA.**

Mr. HAYES. In the last Congress an appropriation of \$36,000 was made for the repair of the public building at San Jose, Cal., caused by earthquake, and I have here a copy of a letter from the Secretary of

the Treasury saying that the appropriation, on account of the raise in the price of material and labor, is not sufficient to finish the repairs and asking for \$5,000 more in order to complete the repairs.

The CHAIRMAN. Are the repairs being made under contract?

Mr. HAYES. Yes, sir; they are under contract. They were not able to let the contract low enough so that the appropriation covered the necessary repairs.

The CHAIRMAN. Have the repairs been made?

Mr. HAYES. No, sir.

The CHAIRMAN. None of them?

Mr. HAYES. The \$36,000 has been expended except about \$200.

The CHAIRMAN. Was the contract for the completion of the repairs?

Mr. HAYES. No, sir.

Mr. KEIFER. They spent the money?

Mr. HAYES. Yes, sir; and let it go as far as it would in rebuilding the roof and the tower. The tower is not finished. There is an opening left for a clock.

The CHAIRMAN. This is not on account of the contract?

Mr. HAYES. No, sir; the lamps that the business men of the city have provided have not been replaced in front of the building, and there are other little things which have not been finished and done. When I went home last session I told the people that the appropriation had been made to finish these repairs in accordance with the plans, and, of course, they are charging it up to me. I hope you will provide for these repairs.

The letter referred to by Mr. Hayes follows:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, April 20, 1908.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: Referring to the appropriation for repairing damage to the post-office building at San Jose, Cal., caused by earthquake and fire, I have the honor to advise you that after completing all other portions of the work the balance was not sufficient for the purchase of a new tower clock to fill existing openings, the clock originally in place being practically ruined. Also, the necessity for placing lamp standards at the front entrance has been brought to the attention of this Department, and I recommend that the following item be included in some appropriation bill:

"San Jose, California, post-office: For completing repairs, and placing lamp standards, etc., five thousand dollars (\$5,000)."

Respectfully,

Secretary.

MONDAY, *May 11, 1908.*

DISTRICT OF COLUMBIA.

STATEMENT OF MR. HENRY B. F. MACFARLAND, MR. HENRY L. WEST, AND MAJOR JAY J. MORROW, COMMISSIONERS, ACCOMPANIED BY MR. ALONZO TWEEDALE, AUDITOR.

CORONER'S OFFICE.

The CHAIRMAN. Mr. Macfarland, the first item for the District of Columbia is "For amount required to pay the deputy coroner for services during the absence of the coroner, for the fiscal years that follow." Then follow the fiscal years 1908 and 1907.

Mr. MACFARLAND. Section 196 of the District Code authorizes the payment of a deputy coroner who, while acting as coroner, shall

receive a compensation of not exceeding \$5 a day, but no appropriation is made to pay his salary while acting, it being the custom to include the amounts due the deputy coroner for services rendered in the annual deficiency bill. The reason that the estimate for this year is so much larger than usual is that the coroner was ill for a considerable time. He had his thirty days' leave and his thirty days' sick leave with pay, and then the rest of the time without pay, so that the difference went into the Treasury; but at this rate of \$5 per day the acting coroner should receive \$515, that being the equivalent of the number of days that he acted as coroner during the fiscal year 1908. The item for 1907 was one that came in for services rendered after the last general deficiency bill had been made up and passed.

Mr. KEIFER. The service had been rendered in both instances?

Mr. MACFARLAND. Yes. The statute authorizes it, and the custom has been to carry the appropriation in the general deficiency bill.

The CHAIRMAN. The statute authorizes it, and the amount is not appropriated for in the District bill for the reason that it can not be ascertained until the end of the year?

Mr. MACFARLAND. That is it, and just as late as possible we give it to you.

RENT OF OFFICE FOR CORPORATION COUNSEL.

The CHAIRMAN. The next is contingent expenses, rent of office of corporation counsel.

Mr. WEST. Mr. Chairman, that item is inserted because during this time mentioned the corporation counsel and his assistants paid their own rent for offices in a building apart from the regular District building, although the rooms are used for District purposes. Mr. Thomas, the corporation counsel, had his office elsewhere, and paid rent out of his own pocket for his private office, and then paid rent out of his own pocket for the District office. The necessity for this will be obviated hereafter by the occupancy of the District building after the 1st of July.

The CHAIRMAN. Was there no office provided by the District government for the corporation counsel?

Mr. WEST. No, sir, there was not, there being no room whatever in the District building. The department of insurance, the police department, and one or two other officers have offices exterior from the District office, and in each of those cases the rent has been paid by regular appropriation.

The CHAIRMAN. What provision has been made heretofore for the office of the corporation counsel?

Mr. WEST. None whatever. It only came to my personal knowledge recently that these gentlemen have paid rent out of their own pockets.

The CHAIRMAN. Are they engaged in the general practice outside?

Mr. WEST. Yes. But at least two, if not three—the corporation counsel and two, if not three of his assistants—have separate offices in a private building outside of these rooms where the District business is transacted.

JUDICIAL EXPENSES.

The CHAIRMAN. The next is "For additional amount required to meet the objects set forth in the appropriation for judicial expenses for the fiscal year 1907, \$354.89."

Mr. WEST. The note sets forth at length the items composing this deficiency. It is impossible to anticipate always in advance accurately the amount necessary to meet judicial expenses. These are all incurred and are due. They would have been estimated for, of course, if they could have been anticipated.

I would add, Mr. Chairman, as to the rent of the corporation counsel's office, that when we brought to the attention of Congress the fact that these gentlemen were paying the rent out of their own pockets, the appropriation was made. This is to supply the rent for the year when these gentlemen were paying the money out of their own pockets.

The CHAIRMAN. This is \$1,000 a year?

Mr. WEST. Yes.

The CHAIRMAN. They paid \$200 out of their own pockets in consideration of their personal services?

Mr. WEST. No, sir. The rent at that time was only \$800, and the rent has since been raised.

Mr. KEIFER. The rent was only \$800 in 1906?

Mr. WEST. Yes.

Mr. BRUNDIDGE. What was the occasion of the delay since 1906? Was this the same item as last year?

Mr. WEST. I think it is the same item as for last year.

CORONER'S OFFICE.

The CHAIRMAN. The next is, "For additional amount required to meet the objects set forth in the appropriation for coroner's office, for the fiscal years that follow."

Mr. MACFARLAND. This is the appropriation that we ask to have increased each year, and which has not been sufficiently increased, and the amount of the expenditure required depends, of course, upon the number of cases which are brought under the coroner's care. That number can not be anticipated, and what we ask now is the amount required to meet the needs of the present year as nearly as we can now estimate them.

The CHAIRMAN. You estimate the deficiency for this year to be \$1,000?

Mr. MACFARLAND. Yes, sir.

The CHAIRMAN. The actual deficiency last year was \$4.25. No; for 1906 it was \$4.25.

Major MORROW. No; \$825, Mr. Chairman.

Mr. MACFARLAND. The regular appropriation of \$2,750 was practically exhausted in March this year, there remaining on March 24, 1908, only a balance of \$30.03 of this appropriation unobligated. Therefore the deficiency is inevitable. It is impossible, of course, to estimate it in advance, and the necessity of this amount is apparent.

GENERAL ADVERTISING.

The CHAIRMAN. The next is additional amount required for general advertising.

Mr. WEST. That is self-explanatory. We are required to advertise, and all the advertising which has been done, for which this appropriation has been made, is in pursuance of law. We simply had more advertising to do than we had money to pay for.

The CHAIRMAN. What was your appropriation for this service for 1907?

Mr. WEST. Three thousand dollars.

The CHAIRMAN. Then you had a deficiency of \$353 last year?

Mr. WEST. Yes, sir.

The CHAIRMAN. And in addition you ask \$2,029.59?

Mr. WEST. We ask Congress each session to increase the appropriation, so that we would not have to come in with a deficiency. The amount has not been increased, and yet we had to advertise in order to comply with the law.

The CHAIRMAN. What is the nature of the advertising?

Mr. WEST. Proposals for supplies and contracts, and all police, building, and health regulations, have, under the law, to be advertised.

Major MORROW. And we have to advertise contemplated work by the engineer department.

Mr. WEST. Every curb and pavement that is proposed to be laid has to be advertised in the public press. We must advertise these things and incur the expense.

The CHAIRMAN. How many papers are you required to advertise in?

Mr. WEST. The law says that one morning daily must have the advertising. That is the law, and then we put one in an afternoon paper, and arrange it so that we try to divide the appropriation equally between the papers.

The CHAIRMAN. You are only required by law to publish in one paper?

Major MORROW. Except in the case of large proposals, when we have to advertise in Baltimore, Philadelphia, and New York.

The CHAIRMAN. I mean in the advertising you are required to do in the city, you are required to do it only in one paper?

Mr. WEST. That is the only obligatory provision in the law.

The CHAIRMAN. That would comply with the requirement of the statute?

Mr. WEST. Yes.

The CHAIRMAN. What other advertising you do outside of that is done purely voluntarily?

Mr. WEST. It is purely voluntary, but we put one advertisement in the afternoon paper and the other in the morning paper. In other words, we do not put the same advertisement in all the papers in the city. If we did that, we would expend \$15,000 or \$20,000 a year.

The CHAIRMAN. Do you take this advertising and simply give it arbitrarily to one morning paper, or do you get bids from them?

Mr. WEST. All the papers have the same rates for what they call official advertising.

The CHAIRMAN. The same rates? What is that rate?

Mr. WEST. Fifteen cents a line.

The CHAIRMAN. I think that is a combination that had better be investigated.

Mr. MACFARLAND. In restraint of trade?

The CHAIRMAN. Yes, sir.

Mr. WEST. Recently, I may say, they have raised the rate on us to that figure.

The CHAIRMAN. In view of that fact, why is it that the Commissioners do not simply say, "We will comply with the statute and give

the advertising to one of the morning papers, as the law requires?" You would save about one-half of the appropriation that way, would you not?

Mr. WEST. That might be, but it would put the Commissioners in the position of favoring one paper.

The CHAIRMAN. How could that possibly be, Mr. West, when the law requires you to advertise in one morning paper? That law protects the Commissioners from any charge of favoritism.

Mr. WEST. I would be very glad to take that subject under consideration, Mr. Chairman.

The CHAIRMAN. It seems to me that the favoritism is on the part of the Commissioners; that it is a pure matter of favor. Whatever advertising they give to the afternoon paper is a pure matter of favor. The law does not direct you to do it. The law does not prohibit it?

Mr. WEST. That is true.

The CHAIRMAN. The law merely requires the advertising to be done in a morning paper, and when you have done that, you have complied with the law; and if you have not the money to advertise in the afternoon paper, that is pretty good evidence that Congress does not expect you to advertise in anything more than the money appropriated will allow.

Mr. WEST. I will be glad to give that consideration.

Mr. MACFARLAND. The amount of advertising is the same, Mr. Chairman, whether it appears in the morning or afternoon. There is a certain amount, say ten columns in the course of a year. If it is apportioned and there are four papers, and one receives two and one-half columns and the others two and one-half columns each until the whole amount is taken, that does not increase the expense. It is simply an apportionment of the whole amount among the papers.

The CHAIRMAN. That can not be so, Mr. Commissioner, without your disregarding the law that requires advertisement in the morning paper.

Mr. MACFARLAND. I am not speaking now with respect to the terms of the law. I only know that the amount of advertising is so much, and there is no duplication of it.

The CHAIRMAN. How much is the present rate? You say it has increased from 15 cents a line?

Mr. WEST. No; to 15 cents a line.

The CHAIRMAN. How does that compare with the commercial rate?

Mr. WEST. I think it is in excess.

The CHAIRMAN. How much?

Mr. WEST. I could not tell you exactly. They charge the Departments the same rate that they charge us. Considerable of this advertising is what is known as legal advertising, in the matter of condemnation of streets, and in that case the advertisement issues by order of the court, and the court says it must be published in three daily papers, and the law requires it.

The CHAIRMAN. I understand. I am speaking now of general advertising required in the statute.

Mr. WEST. I may add that at the time this law was passed making it one morning paper there was only one morning paper in the District. There are now two.

WESTERN MARKET—ELECTRIC WIRING.

The CHAIRMAN. Now, the next item is Western Market, "installation of electric wiring system, \$600."

Mr. MACFARLAND. That is a new item, Mr. Chairman, submitted to equip that public market with wiring for power-driven fans to keep flies off the food products. The Commissioners, under the recommendation of the health officer, have recently required that fans shall be installed in markets and market houses in order to keep flies off the food products, and this is designed to equip this public market in this manner.

The CHAIRMAN. On what basis do you make this estimate of \$600?

Mr. MACFARLAND. It is an estimate furnished by the sealer of weights and measures, who has supervision of the markets. He has obtained from electric wiring men the basis of this estimate. This, of course, is a market having a revenue. The receipts on account of rent for 1907 were \$6,044.90.

The CHAIRMAN. Do you know whether the estimates for electric wiring is on the same basis as the charge for advertising for the Government, as between individuals and the Government?

Mr. MACFARLAND. No, sir. This would be obtained by advertising and competition, Mr. Chairman.

GEORGETOWN MARKET—NEW ROOF.

The CHAIRMAN. The next item, Mr. Commissioner, is "new roof for Georgetown Market House, \$625."

Mr. MACFARLAND. Since the estimates were submitted for the next fiscal year it has developed that the Georgetown Market House requires a new roof.

The CHAIRMAN. Why was not that put in your annual estimates?

Mr. MACFARLAND. The superintendent of repairs reported the matter after the estimates went in, and that was not possible.

The CHAIRMAN. I know; but we had the estimates here at this session in the urgent deficiency bill.

Mr. MACFARLAND. Well, it was certainly after the estimates for the next fiscal year were made up.

The CHAIRMAN. I was wondering, and of course the question would naturally be asked me by the subcommittee on the District of Columbia bill, why we carried this when it was an improvement of this character in the deficiency bill.

Mr. MACFARLAND. The new roof is absolutely necessary to protect the property which belongs to the District. It ought to be made. It should be put in immediately. I only know that it was not reported to us until after the estimates were made up, after the estimates were put in for the next fiscal year.

The CHAIRMAN. That was your testimony before the urgent deficiency bill, and I suppose it must have been overlooked when they came to make up the District appropriation bill.

CURBSTONE MARKET.

Mr. Commissioner, my attention has been brought to the use of that street—I do not know the name of it; perhaps it is B street—in front of the National Museum—

Mr. MACFARLAND. By the farmers and producers from the country?

The CHAIRMAN. Yes. Is there any law that gives them the right to use that sidewalk as they are doing?

Mr. MACFARLAND. Yes, sir. We are authorized to allow them to use that space, and provision is made in the District appropriation bill for the care of it, and it is a very necessary and important matter, so long as the Central Market remains there. When the Government buys the land in that neighborhood, of course they will have to move; but a great many of the people of the city depend upon farmers and producers for cheaper prices in the purchase of their supplies. Moreover, these 300 or 400 people from Virginia and Maryland, and some from the country territory of the District of Columbia, have for years been coming to that street market for the purpose of supplying our people.

The CHAIRMAN. That will necessarily interfere with the National Museum, will it not—the occupancy of it?

Mr. MACFARLAND. I take it, Mr. Chairman, that it is all temporary; that is, in a very few years at the most the Government will acquire all of that for public purposes.

The CHAIRMAN. I do not know. I am afraid, Mr. Commissioner, that if you wait until the Government acquires all the property before you abandon all that street for market purposes, the market will be there until you and I are under ground.

Mr. MACFARLAND. I hope not, Mr. Chairman; but there ought to be a place where these people can come.

The CHAIRMAN. But that is an inappropriate place for it now, in view of the National Museum being there.

Mr. MACFARLAND. It may be that in the immediate front of the Museum gates there would be reason for making a change, but we have suggested, you know, that the so-called Hay Market Square in that neighborhood be improved by the putting up of collapsible sheds of a simple but artistic type, which could afterwards be removed to any other part of the city where the street market could be removed to.

The CHAIRMAN. The Commissioners have vested in them, have they not, the discretion of stopping the use of the street for this purpose at any time?

Mr. MACFARLAND. I think so, so far as I know.

The CHAIRMAN. Then there is no statute that requires you to maintain that market on that street?

Mr. MACFARLAND. No, sir. It is not mandatory, but we have authority and discretion.

The CHAIRMAN. It is maintained there by the same authority that could terminate it?

Mr. MACFARLAND. Yes, sir.

CENTRAL MARKET.

The CHAIRMAN. Now, recently the question of the right of the Central Market down here south of the Avenue to occupy that land has been the subject of some inquiry and controversy here, and in looking the matter up we find that when the market was acquired there was a stipulation in the law requiring the market company to pay the sum of \$25,000 a year, to be used for charitable purposes in the District. Do you know whether that payment has been made?

Mr. WEST. I do not know, Mr. Chairman. I think you have that wrong. Some time ago I gave very close consideration to the circum-

stances under which the Central Market Company secured control of its property, and also whether it would be possible for the District to make a larger amount of revenue. Originally the market company held not only the ground upon which its building is located but the two triangles in front; one where the Rawlins statue is and the other between the market and Pennsylvania avenue. It agreed to give \$25,000 a year for the use of charity for that property, as I remember now, and then they got that changed, and by giving back to the Government or to the District property which they did not own at all they got a rebate of the \$25,000 down to \$7,500 a year rent for ninety-nine years, the lease running until 1969. Now, having given back, as I say, something that they did not own, and reducing the amount to \$7,500, they afterwards made an arrangement with the District Guard by which they rent an armory for \$8,000, or \$500 more than is paid for the entire property. The lease bears the names of three members of the board of public works, who were also incorporators of the market company; so that the board of public works, acting officially on its own part, made the arrangement with itself, acting as the market company, so that you can understand a very favorable arrangement was made between the two.

The CHAIRMAN. Was the lease authorized by law?

Mr. WEST. Yes. They got a law through. Then afterwards the matter was taken up in the courts, and the validity of the lease was sustained, as I remember, by the courts. I took that matter up with the corporation counsel to see if we could overthrow the lease and enter into a new arrangement. Another part of the agreement was that the taxes paid by this market company should never exceed a certain amount, and if ever at any time the assessment was greater than a certain amount, they could get a rebate. My recollection is—I may be wrong—that they started to pay about \$7,500 a year taxes, with the stipulation that it should never get higher than \$13,000 a year. I will have to look at my memorandum to get that accurately, but I know they were protected even in the taxation of the property. Then, as I say, I went to the corporation counsel to see what could be done, to see if the District could not get more rent, and the corporation counsel said that the result of the litigation which had been had some years ago was binding; that it could not be overturned. Another provision in the lease is that we can never take that property without reimbursing the market company to the full extent of everything they have put on it at practically their own valuation, so that if we wanted to turn that market over as a public market and take possession of it as a municipal institution we would have to pay a large sum of money.

The CHAIRMAN. Unless you adopted Boss Shepherd's methods?

Mr. WEST. Yes; unless we adopted Boss Shepherd's methods. I brought this matter to the attention of the chairman of one of the District Committees of Congress in the hope that something might be done to remedy what I thought was a very serious matter, and he said, I might say, that he did not know how we could get at it, and so the matter rests in that way.

The CHAIRMAN. How many members constituted the board of public works when this contract was made?

Mr. WEST. Five.

The CHAIRMAN. And three of those members were members of the board of directors of the market company?

Mr. WEST. They were incorporators.

The CHAIRMAN. How many members constituted the board of directors of the market company?

Mr. WEST. I have a copy of the lease in my office. I do not think it showed the names or number of the board of directors.

The CHAIRMAN. Did the courts sustain that lease?

Mr. WEST. Yes; according to my recollection.

Mr. BRUNDIDGE. Who brought the suit?

Mr. WEST. The District brought the suit. If I had known that this matter was going to be brought up here, I would have come up here fortified with the accurate information.

The CHAIRMAN. The inquiry has been suggested by something that has come up in connection with the District appropriation bill. One of the members of the conference committee was talking with me about it, and he asked me to make some inquiry in regard to the origin of this whole business.

Mr. WEST. I would be very glad, Mr. Chairman, to submit it to you.

The CHAIRMAN. I wish you would submit a statement to-day or to-morrow in time to get here before the hearings are printed. I would like to have the history of it put right in the hearings.

Mr. WEST. I have given the matter serious inquiry and consulted with the corporation counsel.

The CHAIRMAN. Have you anything in your office in writing from the corporation counsel to show that he has investigated the matter to determine whether or not the litigation was conclusive on the District government?

Mr. WEST. I have his formal memorandum to me in response to the statement of facts submitted by me to him, indicating that it was impossible for us to remedy the situation.

Mr. BRUNDIDGE. I wish you would do this, if it would not be too much trouble: Send us a transcript of the judgment or decree of the court on that matter, showing the parties to it and what the court decided.

Mr. WEST. I will be very glad to do that, because I will be glad to have the matter called as fully to your attention as possible.

The matter of clearing these people from the street is a matter entirely separate from the market company, as you understand. I think there are fully six hundred-odd permits issued to people who represent the farming communities contiguous to Washington. They are rivals in a sense to the market company. They pay no rent to the market company, and their prices are lower than those of the people who conduct their business in the market and pay for the stalls, and it would be a deprivation to the public to have those people put out of business. It would be very difficult to find any other locality where we could put those 600 farmers, with their teams and wagons, except in the immediate vicinity of that market. It would be a serious problem to find out how to remedy the situation.

The CHAIRMAN. What do they pay for this privilege?

Mr. WEST. They pay a fee of 10 cents a day. Nothing for a permit, but a fee of 10 cents, which is collected daily and turned into the United States Treasury, and permits are issued in order that there

shall be no confusion and in order that they may take their proper places.

COMMISSIONERS DISTRICT OF COLUMBIA,
Washington, May 11, 1908.

In compliance with the request of the committee Commissioner West submitted the following statement:

Under the act of Congress approved May 20, 1870 (16 Stats., 124), entitled "An act to incorporate the Washington Market Company," said company was authorized and empowered to locate and construct a suitable building or buildings upon the property included with the territory bounded by B street north upon the south, Pennsylvania and Louisiana avenues on the north, Seventh street on the east, and Ninth street on the west. As rental for the use of this property, which was one of the original reservations owned by the United States, the company was directed to pay annually, every year for ninety-nine years, to the city of Washington the sum of \$25,000, which sum was to be expended for the support and relief of the poor of the city and of the District of Columbia. By a subsequent act of the legislative assembly this rental was reduced to \$20,000 per annum, although the authority of the legislative assembly to thus amend the act of Congress does not seem to be clearly set forth.

In the act of Congress approved March 3, 1873, occurs a provision appropriating \$75,000 for the purchase by the United States of the interest of the District of Columbia in the present city hall building in Washington, the amount to be applied by said District only for the erection of a suitable building for the District officers, with this additional legislation: "And the governor and board of public works are authorized, if they deem it advisable for that purpose, to make arrangements to secure sufficient land fronting on Pennsylvania and Louisiana avenues, between Seventh and Ninth streets." In pursuance of this authorization the governor and board of public works entered into an agreement with the Washington Market Company whereby the latter signed a quitclaim deed to its right, title, and interest to so much of the land then held by it under lease as was included between Seventh and Ninth streets and Pennsylvania and Louisiana avenues. In an agreement made between the governor and board of public works and the Washington Market Company which accompanied the deed, the former officials reduced the rent to \$7,500 a year, this reduction of rent being in consideration of the relinquishment by the market company of the property mentioned, which, it should be stated, was not occupied by the market company, but over which it held jurisdiction through the act of incorporation.

In other words, the market company secured a substantial reduction of rent on the ground of relinquishing possession of certain property, although the land thus relinquished belonged to the District of Columbia or the United States Government. It is a remarkable coincidence that the agreement thus entered into is signed on the part of the board of public works by H. D. Cooke, Alexander R. Shepherd, James A. Magruder, S. P. Brown, and Adolf Cluss, and that of this list at least three persons, or a majority of the board (H. D. Cooke, Alexander R. Shepherd, and S. P. Brown), were also incorporators of the Washington Market Company.

In addition to this, the act incorporating the Washington Market Company explicitly provides as follows:

"The buildings herein designated to be used for the purposes of a market shall be used for no other purposes inconsistent therewith, but the same shall remain a public market as hereinbefore described."

It is well known, however, that a portion of this market property is leased to the National Guard of the District of Columbia for armory purposes, the amount of rental charged being \$8,000, or \$500 more than the amount received by the District for the rent of the entire property. The Commissioners have, under provision of law, transmitted to Congress the estimates for this rental for armory purposes without amendment, and inasmuch as the appropriation acts now and for the past four years have directed that the amounts appropriated for the militia shall be expended under the direction and by the authority of the commanding general, the Commissioners are powerless to question the legality of the expenditure. It is, however, a question to be determined whether or not the use of the market building for other than market purposes is at variance with the terms of the act of incorporation.

It should also be stated that the agreement above mentioned contains the following clause:

"And in case in any year the general District taxes upon said ground and market building shall exceed \$5,500, the excess above that amount shall be deducted from said rental of \$7,500 so that the total annual payments for rental and taxes shall not exceed \$13,000."

The tax ledgers of the District of Columbia show that the land occupied by the market company contains 106,722 square feet, assessed at \$4.50 per square foot, making

the assessed valuation of the land \$480,249; and the assessed valuation of the improvements is \$226,500, being a total assessed valuation of \$706,749, and a tax of \$10,601.24. The amount paid as personal tax is \$156, which, added to the real-estate tax and the \$7,500 which is paid as rent, aggregates the sum of \$18,527.24, a sum more than \$5,000 in excess of the total amount named in the agreement. So far as the records of this office are concerned the market company has made no request for a rebate, but it would seem to be an open question whether the representatives of the District government who entered into this agreement had the legal authority to arbitrarily fix, for a period of ninety-nine years, the amount of taxes which should be assessed. The present law directs that all property shall be assessed at not less than two-thirds of its true value, and it is evident that in the execution of this law the taxes assessed against the property of the market company must continue to exceed the \$5,500 stipulated in the agreement.

After some time had been spent in careful examination of all the records in this case I held several conferences with the corporation counsel looking to practical suggestion as to the best method of securing an increase in the amount of rent. The corporation counsel advised me that the question of the rent had been settled by decision of the United States Supreme Court, and he also called attention to the fact that the district might obtain possession of the property by complying with the provision of section 12 of the original act of incorporation, which reads as follows:

"Provided, That if the corporation of the city of Washington shall, after a period of thirty years from the approval of this act, by a vote of the councils thereof, express a desire to possess itself of the said market buildings and grounds, Congress may authorize the corporate authorities to take possession of the same upon payment to the said Market House Company of a sum of money equal to a fair and just valuation of the buildings and improvements then standing on said grounds, and the mode and manner of ascertaining such valuation shall be determined by Congress."

I prepared a memorandum under date of April 26, 1906, for submission to the Commissioners which embodied the facts above stated; but in view of the advice of the corporation counsel refrained from taking action, inasmuch as no adequate method of securing the change in present conditions seemed possible except through the purchase of the property by Congress, which action did not appear to me to be advisable, as the amount involved would necessarily be very large. At a later date I secured a written memorandum from the corporation counsel embodying in concrete form the statements which he had made to me verbally at a previous period, and this memorandum is as follows:

"OFFICE OF THE CORPORATION COUNSEL,

"July 6, 1906.

*"The District of Columbia heretofore sued the Washington Market Company for about \$54,000 difference in unpaid rent between \$25,000 and \$7,500 annually from June 1, 1871, to November 1, 1875. The original charter (16 Stats., 124) reserved \$25,000 rental annually to be for the relief of the poor of the city and District, and the act of the District under legislative authority (17 Stats., 540), where the market company surrendered ground on the south side of Pennsylvania avenue between Seventh and Ninth streets to the District of Columbia in consideration of the reduction of the annual rental of \$25,000 to \$7,500 annually, was considered and decided as to the claim of \$25,000 annual rental adversely to the District, in *District of Columbia v. Washington Market Company* (3 MacArthur, 559). The case was appealed by the District to the Supreme Court of the United States, and that court, in an opinion delivered by Mr. Justice Matthews (108 U. S., 243), decided that Congress had authorized the District and the company to make a new agreement and that a valid agreement had been made reducing the rental to \$7,500 annually and sustained the decision against the District. Commissioner West several months ago orally directed me to investigate and report on this matter, and, acting under his instructions, I did so investigate and reported the above cases to him with my opinion, to which I now adhere, that the question of reduction of rental was res judicata and not open to review.*

*"E. H. THOMAS,
"Corporation Counsel."*

The litigation above referred to was a suit instituted by the District of Columbia to recover \$53,847.23, with interest, alleged to be due from the Washington Market Company. The supreme court of the District of Columbia decided in favor of the market company, which adverse judgment was sustained by the Supreme Court of the United States. The decision was rendered April 9, 1883. The syllabus which precedes the report of the opinion is as follows:

"In May, 1870, Congress authorized the Washington Market Company to construct a market building on a tract in Washington between Pennsylvania and Louisiana avenues and B street, and between Seventh and Ninth streets, then belonging to the

United States, and to occupy the same for a term of ninety-nine years, paying a rental therefor to the city of Washington of \$25,000 a year. Buildings were to be constructed thereon by the company within a period named and in accordance with specified plans. In 1871 some changes were made in the plans, and in March, 1873, no building having been erected, Congress authorized the governor and board of public works of the District of Columbia (the successor of the city) to erect a building for District offices and to 'make arrangements to secure sufficient land fronting on Pennsylvania avenue between Seventh and Ninth streets.' Under this authority the market company conveyed to the District a part of the tract described in the act of 1870; the District assumed the obligations of the company respecting that part, and released it on the payment of an agreed sum from liability for back rents, and from the obligation to pay in future any other rental than \$7,500 a year; and the company paid the back rents and bound itself to pay the newly agreed rental for the future; and has paid rent since then at the rate of \$7,500 per annum. On suit by the District to recover at the rate of \$25,000. *Held—*

"1. That the act of 1873 fully empowered the District and the company to make the new agreement, transferring a part of the land to the District and diminishing the rent for the remainder.

"2. That there was nothing in the act of 1870 which established an irrevocable charitable trust for the benefit of the poor of Washington.

"3. That in this case the debates on the passage of the act are not to be accepted as evidence of the meaning of the clause in controversy. (108 U. S., 243.)"

ASSESSMENT AND PERMIT WORK.

The CHAIRMAN. The next item is, "Assessment and permit work."

Major MORROW. That is simply to provide for the pay of an employee on a laborers' pay roll. It is money earned two or three years ago, but cashed into the Treasury at the end of the fiscal year.

CONDEMNATION OF STREETS, ROADS, AND ALLEYS.

The CHAIRMAN. The next is an item that I do not know much about.

Major MORROW. Condemnation of streets, roads, and alleys. That is a fund that we formerly used almost entirely to pay for searching titles of property in connection with the extension of streets. The fund for 1907 was not sufficient to pay all these costs by a little over \$100. For the year 1908 we succeeded in making a different arrangement in the appropriation bill by getting a wording in that act which would enable the cost of searching these titles to be paid from another appropriation. This is for the last year.

RENT OF WHARF PROPERTY.

The CHAIRMAN. The next is for rent of wharf property [reads]:

The Commissioners of the District of Columbia are hereby authorized to rent wharf property for storage of construction material, at a rate not to exceed nine hundred dollars per annum, for a period of one year from March first, nineteen hundred and eight, said sum to be paid from the appropriations for improvements and repairs, District of Columbia, and sewers, District of Columbia.

Major MORROW. That is the wharf down near the sewage-pumping station that there has been litigation over, the District claiming that they owned it, and the ice company claiming that they owned it. We were occupying it and not paying any rent. A suit was decided about six weeks ago in favor of the company that they owned the wharf. We have stored on that wharf a considerable quantity of sand and gravel, and it is worth \$75 a month to us. We wish to get authority to pay for that until we can get a wharf constructed, which will be provided for in the 1909 appropriation bill. This does not

call for an appropriation. It simply asks for authority to pay for it from the various appropriations that use the sand and gravel, and it is only being asked for one year.

OPENING ALLEYS.

The CHAIRMAN. The next is an item relating to alleys:

That hereafter in cases of condemnation proceedings for opening, widening, and extending alleys and minor streets in the District of Columbia, taken pursuant to law, which fail of confirmation and ratification by the court, the Commissioners of the District of Columbia are authorized to pay all costs and expenses that may be incurred in connection with such proceedings from the appropriation for "Alleys, District of Columbia."

Major MORROW. We have an appropriation for opening alleys and minor streets. The fund is a turnover fund; the assessments collected go to the credit of the fund without reappropriation. Under that appropriation all costs of juries and court expenses are payable after the confirmation of the award, but frequently there are cases where we incur expenses, jurors' fees, and things of that kind, which are not payable if the court does not confirm the award until a special item has been introduced in the general deficiency bill to cover the particular case and authorizing payment of jurors' fees and the court fees. We are simply asking general authority to pay out of that fund legally obligated expenses such as those which can not be paid because the award is not confirmed. The amount each year would be small, because the cases in which the confirmation does not follow the condemnation are rare.

EXTENSION OF STREETS AND AVENUES.

The CHAIRMAN. The next is the "Extension of streets and avenues: For additional amount to provide the necessary funds for payment of costs and expenses of condemnation proceedings taken pursuant to the following public acts," etc.

Major MORROW. There are a great many items there.

The CHAIRMAN. There are some four pages. The items are practically the same?

Major MORROW. They all have the same explanation. The bills which provide for the extension of streets and avenues—and quite a number of them have been passed in the last three or four years—carry a blanket appropriation to pay for whatever awards the jury may find to the property owners, and then a definite sum, in some cases \$300 and in some cases \$500, to pay the legal expenses. The legal expenses have in these cases exceeded that sum by these small sums. They all have that identical explanation.

The CHAIRMAN. I understand that the appropriation that has been made at the time the authority is given for these expenses has not been sufficient to meet the legal expenses incurred, and the legal expenses, whatever they may be, vary in different cases, it being impossible to estimate for them accurately in advance.

Major MORROW. Exactly. We do not know how many hearings the jury is going to have. They get \$5 a day, and if they meet a greater number of days we can not anticipate it.

The CHAIRMAN. It is a matter that the District government has no control over?

Major MORROW. Yes; it is a judicial proceeding entirely.

DISPOSAL OF CITY REFUSE.

The CHAIRMAN. The next is disposal of city refuse.

Mr. WEST. This deficiency, Mr. Chairman, is due to the fact that the contractor for the removal of city refuse and ashes had an option of extension which expired on the 1st day of last July or the 1st day of August. He gave up the contract, and we had another bid, where the amount was practically the same, and we tried to make arrangements with the new man. However, that arrangement not being consummated the contractor gave notice that he would no longer continue the work. We then undertook for a short time to remove the ashes by our own operations, and then advertised for bids. The difference between the lowest bidder under the new contract and the bid of the old contractor for the present fiscal year is the amount of this deficiency. We have taken steps to institute suit against this contractor to recover the amount involved.

The CHAIRMAN. When will his contract expire?

Mr. WEST. His contract did expire on the 1st day of last July.

The CHAIRMAN. Whom did the option run to—to him or to the District?

Mr. WEST. It was supposed to be a mutual option—that is, the District could give notice that it would renew the contract.

The CHAIRMAN. Did he have the option of terminating it at the expiration of the time called for?

Mr. WEST. Not from our construction of it.

The CHAIRMAN. And you are now claiming damages by reason of his not continuing the contract?

Mr. WEST. Yes; and in the meantime this amount meets the difference between the former rate and the present rate. The appropriation bill for next year carries the increased amount. But for this year we need this amount to pay the new contractor. We have what we call a retent from the contractor of about \$2,000 which we have not paid him, which may be available in time. In the meantime we need this amount to carry us through this fiscal year.

The CHAIRMAN. Would this be the measure of your damages?

Mr. WEST. Yes; this would be the measure of our damages.

Major MORROW. And the difference of next year.

Mr. WEST. Yes.

BATHING BEACH.

The CHAIRMAN. The next is the bathing beach.

Mr. WEST. Mr. Chairman, this is a little item of \$40 which has come to our attention. Of course, you understand that we try very hard to have no deficiencies in an appropriation that is a fixed amount. In some way the superintendent of the bathing beach gave an order for certain goods which were needed—lumber and material—at the bathing beach, and it was not known at the time, by an oversight, that the appropriation was exhausted. This material has been furnished and used, and ought to be paid for. I think if it had not come in on nearly the last day of the fiscal year we would have detected it, but it was one of those things that happened where we did not keep actual track of every cent that had been obligated. It represents lumber. Of the whole amount, \$40.60, \$31 is for lumber.

The CHAIRMAN. Does not some one know every day what the balance of these appropriations is?

Mr. WEST. Yes; but we had a superintendent of the bathing beach who was rather inclined to do things on his own responsibility, and he needed this stuff and ordered it, and got it, and did not check it up.

The CHAIRMAN. Has it been paid for?

Mr. WEST. It has never been paid for.

The CHAIRMAN. Is he still superintendent of the bathing beach?

Mr. WEST. He is not.

The CHAIRMAN. Is he responsible, financially?

Mr. WEST. Well, hardly; no, sir.

SEWERS, CONDEMNATION OF RIGHTS OF WAY.

The CHAIRMAN. The next is, "Sewers, condemnation of rights of way."

Major MORROW. Mr. Chairman, that practically has the same explanation as the items for condemnation of alleys and streets.

The CHAIRMAN. These are all legal expenses?

Major MORROW. Yes; legal advertising expenses.

Mr. BRUNDIDGE. Mr. West, in this contract you say that you had with this fellow who defaulted, did the District require him to execute a bond for the performance of his contract?

Mr. WEST. Yes, sir.

Mr. BRUNDIDGE. You have his bond?

Mr. WEST. Yes, sir.

PUBLIC SCHOOLS, KINDERGARTEN SUPPLIES.

The CHAIRMAN. The next is, "Public schools, kindergarten supplies." This is a deficiency of 1906.

Mr. WEST. That was supplies for the public schools, where the bill came in just \$2.40 larger than was expected and larger than the appropriation. That left that little deficiency.

WOOD FOR PUBLIC SCHOOLS.

The CHAIRMAN. The next is—

The Commissioners of the District of Columbia are authorized and directed to pay to George W. Thecker the sum of thirty-three dollars for wood furnished the public schools of the District of Columbia, on property clerk's order numbered seventy-six hundred and thirty, without the usual certificate of inspection required by law, during the fiscal year nineteen hundred and eight.

Mr. WEST. Under the law, Mr. Chairman, the District can not use any fuel, wood, or coal until the same has been inspected by our inspector. In this case the wood was bought and furnished under an order, but was used before the inspector looked at it. The inspector declined to certify to the voucher, and consequently the auditor could not pass it. This simply legalizes the purchase.

HARBOR PATROL.

The CHAIRMAN. The next is, "Harbor patrol."

Mr. WEST. The regulations of the Treasury Department require licensed engineers on all steam vessels. In order to get a licensed engineer for the police boat we have to have an engineer who is a

member of the union here. They have an established rate of wages. The amount carried in the appropriation bill was not as large as this rate. We tried in every way to get a marine engineer for the amount of the appropriation and failed. We finally secured a licensed engineer to work for the appropriation carried in the bill; and while we told him we could not obligate ourselves as to what Congress would do, we would bring to the attention of Congress the fact that there was this difference between the rate fixed and the appropriation and that it would be asked for by us in order to reimburse him.

The CHAIRMAN. What are the duties of this marine engineer?

Mr. WEST. The patrol boat is a little steam tug that goes up and down the river, patrolling the river, and watching the wharf property, and dragging for bodies that are drowned, and all that sort of thing. The engineer works twelve hours a day, from 7 o'clock in the morning until 7 o'clock in the evening, and is liable to be called on at any time if there is a fire or disaster on the river. We have a regular harbor police precinct now, and this patrol boat is in that precinct.

The CHAIRMAN. What compensation is he allowed in the District appropriation bill?

Mr. WEST. Eight hundred and forty dollars.

The CHAIRMAN. As it passed the House this year?

Mr. WEST. It has been increased to \$1,140 in the bill. It is \$840 for the current year. It has been increased to \$1,140 for the next year.

The CHAIRMAN. Is that a Senate amendment?

Mr. WEST. It is a Senate amendment.

The CHAIRMAN. It is not agreed to yet?

Mr. WEST. No, sir.

FIRE DEPARTMENT—FORAGE.

The CHAIRMAN. The next is fire department, forage.

Mr. MACFARLAND. A rise in the price of forage and an increase in the number of horses have required the submission of this estimate, Mr. Chairman. Up to March 27, 1908, the amount expended from the current appropriation for forage, of \$22,000, was \$17,274.39, leaving a balance of \$4,725.61. For the months of April, May, and June, it is estimated that there will be required the sum of \$6,200, making a deficiency inevitable of \$1,475, in round numbers.

The CHAIRMAN. How many horses have you?

Mr. MACFARLAND. I shall have to put the number in. I do not want to attempt to state it offhand. The chief of the fire department states that every effort has been made and all possible economy exercised to keep within the current appropriation. During the first six months of the fiscal year the horses of the department were fed at an approximate cost of \$9 per head per month, the horses being limited to the United States army allowance, despite the fact that they are larger and heavier, and should be allowed more forage than the average army horse. He tried that for six months, and then brought to our attention the fact that the horses were depreciating, and then we authorized him to give them what forage they ought to have.

The CHAIRMAN. How many more horses have you now than at the beginning of the fiscal year?

Mr. MACFARLAND. There are seven extra horses, and the rise in price of forage is estimated to be 7 per cent. We have a new fire house at Benning, D. C., and the chief engineer has also furnished additional horses to certain apparatus heretofore hauled by two horses, in order to obtain better results. Our estimate for next year is \$25,000, and our estimate for the present year, evidently, ought to have been larger, but we could not have anticipated the rise in the price of forage.

The CHAIRMAN. The next item is contingent expenses, \$840.09. Your current appropriation is \$21,000, which is \$1,000 in excess of your appropriation for last year, when you had no deficiency.

Mr. MACFARLAND. This is a deficiency for 1906, Mr. Chairman, and was required chiefly by the fact that there was a combination of unusually severe and dark winter weather, requiring more use of light in the houses, and of an unusual number of fire alarms and runs, and there was an unusual amount of horseshoeing. The weather was very inclement, and there was much snow and ice. The chief items are for horseshoeing, \$418.40, and the other items may be traced to those causes. If this appropriation is not made, of course we shall be sued for these bills, which have not been paid.

The CHAIRMAN. What are the other items?

Mr. MACFARLAND. Miscellaneous supplies, \$313.01; electric current, \$53.03; laundering, \$55.65.

JUVENILE COURT.

The CHAIRMAN. The next is the juvenile court.

Mr. MACFARLAND. Pardon me. There is a small item of \$2.25 which has just come to us on account of the purchase of bituminous coal on March 20, 1908, at the large fire at Eisinger Brothers' lumber yard, at Seventh and W streets—a fire in the middle of the night, and an emergency in which the chief engineer of the fire department felt justified in buying 1,200 pounds of bituminous coal from this man, whose yard was right there, in order to fight the fire.

The CHAIRMAN. You had better send it in as a formal supplemental estimate and it will be taken care of in that way. It is not before us, and the Senate always calls for supplemental estimates. We called here for deficiencies to be submitted by April 25. Of course, the Senate takes a later date.

Mr. MACFARLAND. We shall be very glad to do so. This was brought to my attention this morning, so that I lost no time in bringing it to your attention.

The CHAIRMAN. The next item is for additional amount required for fuel, ice, gas, and laundry work, etc., and other incidental expenses in connection with the juvenile court, \$57.28.

Mr. MACFARLAND. That was submitted by the judge of the juvenile court, and I suppose it is due to the fact that last year was the first year of the juvenile court and the appropriation made was an experimental one, and it turned out to be not sufficient.

POLICE COURT—COMPENSATION OF JURORS.

The CHAIRMAN. The next is for police court, for additional amount required for compensation of jurors.

Mr. MACFARLAND. That is fixed by law. The fees of jurors are fixed by law, and the number of jurors is dependent on the cases.

The CHAIRMAN. How do you arrive at that estimate?

Mr. MACFARLAND. It is submitted by the police judges.

The CHAIRMAN. Is there any statement of the status of the appropriation for the current year?

Mr. MACFARLAND. The first deficiency is for 1908, and the second is 1907. The statement made as to the first is this, that the current appropriation for the pay of jurors, amounting to \$8,000, is entirely exhausted, and jury trials in the police court of the District have been temporarily suspended until a further appropriation shall have been made by Congress to provide for the payment of jurors' fees. The auditor can state the prices and the state of the appropriation.

Mr. TWEEDALE. The estimate is \$1,500, and it runs fully that much each month, and we would need that money up to the 1st of June.

The CHAIRMAN. The current appropriation is entirely exhausted?

Mr. TWEEDALE. Yes; it is entirely exhausted.

The CHAIRMAN. Then the next is for the fiscal year 1907, \$594.

Mr. MACFARLAND. Their statement there is that that appropriation is not sufficient, and the certificates are due and awaiting payment. The accounts are due and rendered.

POLICE COURT BUILDING.

There is an item here of \$24.45 under the head of "Police court building," which is for the bill of the Evening Star Newspaper Company for legal notices published in connection with condemnation proceedings for taking of land for new police court building, the appropriations made for payment of such expense being entirely exhausted.

The CHAIRMAN. Was that advertising at the rate of 15 cents a line?

Mr. MACFARLAND. Probably not.

Mr. WEST. I recall that to mind. The Evening Star, the afternoon newspaper, which we are not required by law to advertise in, charges less for advertising than the morning paper. The other afternoon paper, the Times, has raised the rate to 15 cents, and the Post charges 15 cents.

The CHAIRMAN. Can you insert in the record the commercial rate?

Mr. WEST. We have their rates in our office. I went over that matter with the auditor not very long ago, and we got their rates, and considered the fact that the District was paying a larger sum for advertising than the ordinary advertiser pays.

Mr. MACFARLAND. In answer to the question asked me, this expense was incurred two or three years ago, before any increase in the advertising rate had been made.

The CHAIRMAN. It was all legal advertising?

Mr. MACFARLAND. Yes; it was all legal advertising. It was for advertising legal notices in connection with the condemnation of land. A small amount of additional land was obtained in connection with the site of the new police court building, and this expense was incurred in connection with that proceeding.

WASHINGTON ASYLUM.

The CHAIRMAN. The next item we want to inquire about is the Washington Asylum.

Mr. MACFARLAND. That is an estimate submitted by the superintendent of the Washington Asylum and approved by the board of charities, occasioned by the large increase in the number of inmates in the Washington Asylum and the workhouse. As to the workhouse inmates, of course the superintendent of the Washington Asylum has no discretion. The inmates are sent by the courts, and he is obliged to take care of them as best he can. It is impossible for him to control or to foresee what number will be required. The total number of persons in the institution on March 31, 1907, was 566, and on the same date in 1908 there were 716 inmates. This increase is very largely in the number of prisoners in the workhouse. That general item refers to the whole.

The CHAIRMAN. How does the number of inmates, except those sent to the workhouse, compare with those of a year ago?

Mr. MACFARLAND. The whole number of inmates in the asylum a year ago, or rather on March 31, 1907, was 566, and on March 31 of this year there were 716. The increase is very largely an increase in the number of prisoners in the workhouse, there being on March 31, 1908, 467 inmates of the workhouse, as compared with 357 on March 31, 1907, an increase of 110. There is no probability that this number will materially decrease before the close of the fiscal year, because of the opening of an additional wing at the workhouse, which makes accommodation for 144 additional prisoners, and the police court judges are now sending many prisoners to the workhouse. There is absolute need for this increase, and there is also, as the superintendent of the asylum shows in the table of cost which I submit, an increase in the cost of supplies from 5 per cent to 25 or 30 per cent more than for the prior year.

The CHAIRMAN. When was that statement made as to the increase in the cost of supplies?

Mr. MACFARLAND. We have it here, February 20, 1908. I will be glad to leave that with you. It is a long statement.

The CHAIRMAN. It is hardly worth while to print it, but it seems that the hard times do not have any effect on the price of things that people consume.

Mr. MACFARLAND. They have not had any effect on the prices in my private consumption.

"EASTERN DISPENSARY.

The CHAIRMAN. The next item is "Eastern Dispensary: For additional amount required for emergency care and treatment of indigent patients, \$2,500."

Mr. MACFARLAND. Under this contract, of course patients are sent there as the patients arrive. They are taken there because that is the best place for these patients to be taken.

The CHAIRMAN. Prior to the current year your appropriation was uniformly \$2,000 for this purpose. For the current year your appropriation was \$2,000, and you have already had a deficiency of \$2,000, and you now estimate an additional deficiency of \$2,400.

Mr. MACFARLAND. This estimate, of course, comes from this institution, with the approval of the board of charities. I have here the correspondence. This deficiency was for last year; I mean the \$2,000 that was given. But the point is that the appropriation

ought evidently to have been larger. The estimate for next year, you will observe, is \$6,000. The patients are there, or will be there, and the amount is required.

HOME FOR THE AGED AND INFIRM.

The CHAIRMAN. Now, the next item that we want to inquire about is at the bottom of page 28, "Home for the Aged and Infirm: For additional amount required for additional steam boiler, including foundations, piping, and necessary expenses of installation, \$1,100." When was that work authorized?

Major MORROW. There was \$1,900 in the appropriation act of March, 1907, for a steam boiler, including the foundations, piping, and the necessary expenses of installation. The lowest bid that we could get for doing the work was \$2,780, exclusive of expenses of preparation of specifications, inspection fees, and incidental expenses. In order to put in this boiler we have to have \$1,100 more.

The CHAIRMAN. When were these bids received?

Major MORROW. They were received September 5, 1907.

The CHAIRMAN. There has been a very material reduction in the cost of material of this kind in the last five or six months.

Major MORROW. There had been a reduction before the bids were taken, but that place down there is extremely remote. It is very hard to get anybody to take a contract to do anything down there, and ordinarily the prices of everything down there are considerably higher than anywhere else, a great deal higher.

MUNICIPAL ALMSHOUSE.

The CHAIRMAN. The next is municipal almshouse—

For additional amount required for acquiring, by purchase or condemnation, additional ground, being part of lot 7 in the subdivision of Bellevue or Blue Plains, containing 19 acres, more or less, bounded on three sides by the ground purchased by the District of Columbia for site for a municipal almshouse and burial place for indigent dead, \$6.60.

Major MORROW. This is a legal fee to the clerk of the court of \$6.60. You remember we asked for an appropriation in the deficiency bill this year to pay the actual cost for the verdict in condemning an additional piece of land down there, and that obtained it, but not this legal fee, which has since been brought to our attention. It is a fee to John R. Young, clerk of the court, for service in connection with that trial.

The CHAIRMAN. And the fees were legally chargeable?

Major MORROW. Yes. He is the clerk of the court, and it is a legal fee for his services.

HEALTH DEPARTMENT.

The CHAIRMAN. The next item is health department.

Mr. MACFARLAND. Last year we had a smaller number of contagious disease cases than this year, and particularly smallpox cases. This year we have a great many smallpox cases. The unexpended balance last year was \$11,295.82. We ask to have that made immediately available for the purpose of this appropriation until June 30, 1909.

The CHAIRMAN. What did you say the balance was?

Mr. MACFARLAND. \$11,295.82. That was the unexpended balance of the last fiscal year. We simply ask to have that continued and made available until June 30, 1909. There has been a large increase in the demands upon this appropriation. Besides these other items we now will have to provide for whatever may be done under the tuberculosis act. We ask for no new appropriation. It is simply to make the old available.

HOSPITAL FOR THE INSANE.

The CHAIRMAN. The next is hospital for the insane.

Mr. MACFARLAND. That is a fixed charge, Mr. Chairman, and we have no control, of course, over the number admitted or the total cost. We simply have to report to you that amount is necessary for the support of the indigent insane in the District of Columbia.

The CHAIRMAN. Your current appropriation is \$272,800.

Mr. MACFARLAND. Yes; with a deficiency last year of \$5,000. Our estimate for next year is \$290,800. There is an increase in the number of cases, of course.

The CHAIRMAN. Where do you get the data upon which you estimate this balance or deficiency of \$16,500?

Mr. MACFARLAND. It is not our estimate, Mr. Chairman, but one of the Government Hospital for the Insane, transmitted through the Secretary of the Interior. We have no supervision over this hospital, as you know. We simply have a contract under which we provide for the care of District patients.

The CHAIRMAN. Is this due to the fact that there were more commitments than were anticipated a year ago, when this appropriation was made?

Mr. MACFARLAND. That is a fact.

Mr. BRUNDIDGE. Do you know the increase?

Mr. MACFARLAND. I will be very glad to give you what is in the letter of the superintendent. He says [reads]:

At the last session of Congress the sum of \$272,800 was appropriated for the care of the District patients at the rate of \$220 per annum for the current fiscal year. At the end of each month the hospital renders a bill to the District and in due course of time is reimbursed by counter-warrant. At no time, however, since the first of the fiscal year has one-twelfth of the above appropriation been sufficient to meet the monthly bill. It has, therefore, been the practice of the District as heretofore, to pay one-twelfth of the total amount appropriated. I give you below a schedule of the bills as rendered, which shows a total of \$144,493.77.

July 24	\$239.71	October 24	\$369.63
August 24	274.16	November 23	571.37
September 23	634.22	December 24	404.68

One-half of the annual appropriation for the care of the District insane is \$134,400, leaving a deficit of \$8,093.77 as above. With this deficit for six months it is fair to presume that an equal or probably somewhat greater amount will accumulate during the following six months, as the tendency is for the District's patients to slowly increase in number.

I have therefore the honor to ask you to request the Commissioners of the District of Columbia to ask for a deficiency appropriation of \$16,500, or so much thereof as may be necessary, for the purpose of meeting their indebtedness to this hospital for the care of the District insane.

Respectfully,

WM. A. WHITE, *Superintendent.*

REIMBURSEMENT OF PHILADELPHIA, BALTIMORE AND WASHINGTON
RAILROAD COMPANY.

The CHAIRMAN. The next item we want to inquire about is on page 31, reimbursement of Philadelphia, Baltimore and Washington Railroad Company.

Major MORROW. That is an item, Mr. Chairman, that has been in the general deficiency bill before. It was provided by law that the old Long Bridge should be closed and abolished after a certain date, and at the time the new bridge was completed a bill was introduced in Congress to get the time extended during which this bridge should be operated. It was provided in that bill that the railroad company should be paid for the expenses of the operation of the draw during the extra interval of time that it was necessary to keep the bridge open, on account of the fact that the highway at the ends of the new bridge was not ready to be opened to the public. There is a tremendous amount of traffic that comes there from those brick yards across the river. The railroad company was not only willing but anxious to close it, and that bill provided, although it never became a law, for the payment to the railroad company of this sum, which is the actual cost to them of maintaining that draw.

The CHAIRMAN. There is no law, then, authorizing the payment?

Major MORROW. No, sir; there is no law authorizing the payment. They were not using the bridge for their railroad trains at all. They had shifted their trains to the other bridge.

The CHAIRMAN. Prior to that time was the draw operated at the expense of the railroad company?

Major MORROW. Entirely. It was a railroad bridge, but they had transferred to the other bridge and were operating that draw, and if they had closed this bridge or left the draw open it would have deprived us of a highway worth more to the District than the amount of this bill. While we never went on record in writing as agreeing to advocate the securing of this appropriation to reimburse them, it was understood that it was a fair charge against the District revenues, and this bill was introduced at that time and reported favorably by the Commissioners. An attempt was made to get it passed to have them reimbursed.

The CHAIRMAN. How long did the railroad company operate that old bridge under that franchise from the Government?

Major MORROW. I think that bridge was about 50 years old.

The CHAIRMAN. What compensation did the Government ever receive for the franchise or the right?

Major MORROW. I am not certain about that, Mr. Chairman.

The CHAIRMAN. It did not receive any, did it?

Major MORROW. No, sir; I think we did not receive any payment.

The CHAIRMAN. I mean the railroad company never compensated the Government for the franchise it obtained from the Government for the right to maintain that bridge there?

Major MORROW. I believe not?

Mr. KEIFER. We had a roadway alongside of it?

Mr. MACFARLAND. Yes. It was the only bridge, of course. It was the old historic bridge.

Mr. KEIFER. Was there a contract to pay this \$6,000 annually to maintain it?

Major MORROW. No, sir.

Mr. KEIFER. How did they happen to keep it up if there was no promise on their part to keep it up?

The CHAIRMAN. I suppose they did it out of consideration for what the Government had done for them for fifty years preceding.

Mr. BRUNDIDGE. I see it was \$6,418 from February 12 to December 18, 1906. Was that to pay the party for operating it?

Major MORROW. Yes; and for the fuel and electric current and repairs.

Mr. KEIFER. Is there any part of it for keeping the bridge in repair?

Major MORROW. Yes, sir. There were some amounts for that. Here is a copy of the items, month by month—general repairs, general expenses, salaries, electric light, etc.—running from \$200 a month up to \$900 a month and totalling \$6,418.

Mr. KEIFER. Then there would be some of it for the repair of the bridge?

Major MORROW. Yes, sir.

For cost of general repairs, general expenses, salaries, electric lights, etc., of highway on the old Long Bridge, D. C., from February 12 to December 18, 1906.

February, 1906:

General repairs.....	\$90. 77	
Hauling material.....	2. 20	
Draw tenders and bridge watchmen, salaries.....	132. 00	
Electric light.....	27. 14	
		\$252. 11

March, 1906:

General repairs.....	118. 60	
Hauling material.....	6. 40	
Draw tenders and bridge watchmen, salaries.....	264. 00	
Electric light.....	47. 50	
		436. 50

April, 1906:

General repairs.....	502. 22	
Hauling material.....	9. 45	
Draw tenders and bridge watchmen, salaries.....	264. 00	
Electric light.....	47. 50	
		823. 17

May, 1906:

General repairs.....	622. 20	
Hauling material.....	22. 94	
Draw tenders and bridge watchmen, salaries.....	264. 00	
Electric light.....	47. 50	
		956. 64

June, 1906:

General repairs.....	266. 71	
Hauling material.....	18. 05	
Draw tenders and bridge watchmen, salaries.....	264. 00	
Electric light.....	47. 50	
		596. 26

July, 1906:

General repairs.....	391. 56	
Hauling material.....	8. 40	
Draw tenders and bridge watchmen, salaries.....	264. 00	
Electric light.....	47. 50	
		711. 46

August, 1906:

General repairs.....	99. 20	
Hauling material.....	12. 60	
Draw tenders and bridge watchmen, salaries.....	264. 00	
Electric light.....	47. 50	
		423. 30

September, 1906:	
General repairs.....	\$210. 42
Hauling material.....	10. 00
Draw tenders and bridge watchmen, salaries.....	264. 00
Electric light.....	47. 50
Bridge lamps.....	85. 50
	<hr/> \$617. 42
October, 1906:	
General repairs.....	525. 59
Hauling material, oil, etc.....	13. 40
Draw tenders and bridge watchmen, salaries.....	264. 00
Electric light.....	47. 50
	<hr/> 850. 49
November, 1906:	
General repairs.....	162. 47
Hauling material, oil, etc.....	7. 40
Draw tenders and bridge watchmen, salaries.....	264. 00
Electric light.....	47. 50
	<hr/> 481. 37
December, 1906:	
General repairs.....	72. 04
Hauling material, coal, and oil.....	5. 80
Draw tenders and bridge watchmen, salaries.....	168. 62
Electric light.....	22. 98
	<hr/> 269. 44
	<hr/> 6, 418. 16

REIMBURSEMENTS OF SHORTAGE IN ACCOUNTS.

The CHAIRMAN. The next item is at the bottom of page 31:

Reimbursements of shortages in accounts: For amount required to reimburse miscellaneous trust fund deposits, District of Columbia, for the ascertained shortage therein, fifty-one thousand five hundred and fifty-six dollars and twenty-two cents, and to pay the United States its proportion on account of the shortage in the appropriation for assessment and permit work, District of Columbia, eleven thousand five hundred and three dollars and seventy-four cents; in all, sixty-three thousand and fifty-nine dollars and ninety-six cents, to be paid wholly from the revenues of the District of Columbia.

Mr. WEST. That item, Mr. Chairman, refers to the Watson defalcation that occurred some years ago, and represents the amount which he abstracted. A suit against the former auditor to recover on the auditor's bond for this defalcation is now pending in the court. This item has been inserted in the deficiency bill each year since the defalcation occurred, in order that this trust fund might be made whole, and we inserted it again this year to bring it to the attention of the committee, although the litigation has not yet been decided either in favor of the District or the former auditor.

The CHAIRMAN. It has been disallowed heretofore for the reason that the committee thought it was wise to let the matter rest until the litigation was concluded.

Mr. WEST. Yes, sir; and when you made no reference to it just now I supposed that was in the minds of the committee, but the Commissioners sent it up in order to keep the matter alive.

The CHAIRMAN. Yes; we understand it.

RESERVATIONS FOR UNITED STATES GOVERNMENT.

The next item is on page 32 of the bill:

Reservations for United States Government: For amount required to meet the costs and expenses of condemnation proceedings taken pursuant to section twenty-two of the act of June thirtieth, nineteen hundred and six, entitled "An act to increase the limit of cost of certain public buildings, to authorize the purchase of sites for public buildings, to authorize the erection and completion of public buildings, and for other purposes," four hundred and thirty-three dollars, payable wholly from the revenues of the United States.

Major MORROW. There was an item in the public-building bill a couple of years ago to provide for the condemnation of two triangular parks on Sixteenth street extended. The bill, however, did not carry an appropriation to pay the awards, so that the awards were not confirmed by the court, and we put the court expenses, bills for advertising, and other legal expenses in the same class that I mentioned before in regard to the alleys. We are asking this appropriation simply to pay those bills—not to acquire the triangles, but to pay the bills for jurors' services and court fees, for the reason that no appropriation was made.

PER DIEM SALARIES.

The CHAIRMAN. The next item is:

Amendment of section two, District appropriation act fiscal year nineteen hundred and eight: That section two of the District of Columbia appropriation act, approved March second, nineteen hundred and seven, placing a limitation on expenditures for purposes specified therein of sixty thousand dollars during the fiscal year nineteen hundred and eight, is hereby amended by increasing said limitation to sixty-six thousand dollars during said fiscal year.

What is the purpose of that amendment?

Major MORROW. If you remember, we wrote you a letter a few days ago. I will go over it briefly.

OFFICE ENGINEER COMMISSIONER OF THE DISTRICT OF COLUMBIA,
Washington, April 28, 1908.

Hon. J. A. TAWNEY,
Chairman Committee on Appropriations, House of Representatives.

DEAR SIR: The Commissioners of the District of Columbia have the honor to submit the following explanation of the item requested in the deficiency bill now before you to increase the limitation for per diem service as now contained in section 2 of the District appropriation act for 1908, from \$60,000 to \$66,000.

The reasons for this increase are twofold:

First, the greatly increased amount of work of constructing school buildings being carried on under appropriations for the fiscal year 1908, upon which it is necessary to have per diem services. To this cause \$3,000 of the \$6,000 increase in limitation is directly responsible. This amount is for the services of inspectors of construction, it being necessary to have an inspector at all times on the work during the progress of the contract to see that the specifications are carried out by the contractor.

Second, in the appropriation act for the fiscal year 1907 there was a special appropriation made on account of special survey work directed to be carried out by the appropriation act, and the law was construed by the Commissioners to the effect that as these services were directly incident to carrying out the appropriation they should not be charged against the limitation of per diem service, and they were not so charged. In the District appropriation act for 1908 a similar survey was provided for, namely, plans for the improvement of Rock Creek valley, and the Commissioners believed that this appropriation was to be considered on the same basis as the one above referred to. The Comptroller has recently decided, however, that services of per diem employees under this appropriation must be charged against the limitation in the act. This is responsible for most of the balance of the \$6,000 by which the Commissioners desire the limitation to be increased.

It should be noted, of course, that this does not involve any increase in the appropriations for the fiscal year 1908, but merely an enlargement of the limitation for per diem service. In order to decrease the necessity for asking an increase in this limitation the Commissioners have determined to dispense with certain per diem services and have already done so to some extent and intend to do so to a further extent, but even with this, to carry on certain work of construction now in progress, an increase in the limitation by \$6,000 is necessary. If this amount is not granted, it will be necessary to at once suspend the work of adjudication of claims for damages by reason of grade changes in connection with terminal work and to suspend the construction of all municipal buildings provided for in the District appropriation act for 1908, including three new school buildings, additions to two school buildings, particularly that of the McKinley Manual Training School, and the construction of an addition to the Eastern Market and an engine house at Langdon and one on Lanier Heights, for a period of at least sixteen days in the month of June. This period may be longer should it become necessary for expenditures to be made under some appropriations in the 1909 appropriation bill which the Senate committee has recommended to be made immediately available.

Besides the necessity of temporarily suspending the grade damage cases and the school work above mentioned, there will also be involved some unnecessary delay in paving and sewer work, and as all of the school work is done under contracts already made, it is possible that the District may be liable in damages to the contractors for delaying their work. It is of course necessary that all such work shall be done under District inspection, and this involves per diem service.

The Commissioners, therefore, urgently request that the limitation be increased as they have recommended in their estimates for the deficiency bill.

Very respectfully,

HENRY L. WEST,
*Acting President of the Board of Commissioners
of the District of Columbia.*

There is a paragraph in the legislation which limits the amount of money which the Commissioners may expend from appropriations that are made for payment of per diem services of certain classes of employees—inspectors, copyists, rodsman, levelers, chainmen, computers, etc. It was put at \$60,000 three years ago, and we have been able to restrict until this year the amount of this service to this figure of \$60,000. Although we had been counting right along on the fact that as in former years certain special works authorized like the survey of the cemetery for the indigent dead, which was authorized a couple of years ago, and this year the survey for the Rock Creek Valley, would not be included, about a month ago the Comptroller decided that we should include the services. That hit us a very severe blow just near the end of the fiscal year. Besides that, this year we have had an exceptionally large amount of work under the direction of the inspector of buildings and he finds that the inspectors, which he has to put on the public buildings which are being built, will use up more than his allotted amount of the \$60,000. So we find that right now unless authority is increased to employ up to \$66,000 instead of \$60,000 we will have to dispense with some per diem services which are of very great importance in the conduct of our work, and also in addition to those services we will have to lay off all the inspectors on all the school buildings and engine houses, such buildings as that which we are building, about the 15th day of June. Of course that will mean that the work will have to stop and that the District will probably have suits from the contractors.

The CHAIRMAN. For the next fiscal year you have estimated \$70,000?

Major MORROW. Yes, sir; and the Senate has included that.

The CHAIRMAN. That is all, I believe, gentlemen.

MONDAY, *May 11, 1908.*

MILITARY ESTABLISHMENT.

**STATEMENT OF BRIGADIER-GENERAL CHARLES H. WHIPPLE,
UNITED STATES ARMY, PAYMASTER-GENERAL, ACCOMPANIED
BY MR. WILLIAM MANLEY, CHIEF CLERK, AND MR. JOHN C.
SCOFIELD, CHIEF CLERK OF THE WAR DEPARTMENT.**

PAY OF OFFICERS AND ENLISTED MEN.

The CHAIRMAN. General Whipple, the first item under the Military Establishment is for pay of officers and enlisted men of the Army, \$1,230,000. That is your estimated deficiency for this year? General WHIPPLE. Yes, sir.

The CHAIRMAN. Now, your current appropriation is \$31,468,677.23 for this same purpose, and it is almost a million dollars in excess of the amount estimated for this year.

General WHIPPLE. I can explain it in this way, Mr. Chairman: As to the estimate that was put in for this current year in August, 1906, the Secretary of War cut the estimate down 5,803 privates, and that approximately would amount to about \$900,000. Then at that time, in August, 1906, the time we had to put these estimates in, we did not know that any troops were going to Cuba, so that no estimate was made for foreign-service pay for officers and men.

The CHAIRMAN. The deficiency occurred this year.

General WHIPPLE. I know, sir; but the estimate had to be prepared in 1906.

The CHAIRMAN. For 1908?

General WHIPPLE. Yes, sir. In the fall of 1906 the estimate for 1908 had to be put in. We had to have our estimates in in August, 1906, for the fiscal year 1908.

Mr. MANLEY. The act was passed March 2, 1907. We did not know at the time of the preparation of this estimate, in August, 1906, that any troops were going to Cuba, so that that item of over \$300,000 for foreign-service pay was not in the bill. We are short \$312,645 on foreign-service pay.

The CHAIRMAN. \$312,000?

Mr. MANLEY. Yes; \$312,645.

The CHAIRMAN. That foreign-service pay is 10 per cent additional?

Mr. MANLEY. It is 10 per cent for the officers and 20 per cent for the men.

The CHAIRMAN. Will the officers and men serving in the Philippines receive the same increase that the men and officers receive in Cuba?

General WHIPPLE. Yes, sir.

The CHAIRMAN. The service in the Philippines under this is regarded as foreign service?

General WHIPPLE. Yes, sir; and so is Cuba, but not Porto Rico and the Hawaiian Islands.

The CHAIRMAN. Is Alaska?

General WHIPPLE. Yes; Alaska.

The CHAIRMAN. That increase is fixed by statute, and the service in the Philippines and Alaska is defined by statute as foreign service?

General WHIPPLE. Yes, sir.

The CHAIRMAN. That is not a departmental regulation?

General WHIPPLE. No, sir. It is law.

The CHAIRMAN. Now, you say that was before we went to Cuba?

General WHIPPLE. Yes, sir. The estimate for this appropriation was made in August, 1906, and at that time, when the estimates for 1908 were made, the authorized strength of the Army was 58,128 men. As the Army was not then recruited to that strength, the Secretary of War directed that the estimate for 5,803 privates be cut out.

The CHAIRMAN. What was the actual strength of the Army at the time the estimates were made?

General WHIPPLE. The estimate was made for 52,325 men. Then from the estimates—

The CHAIRMAN. Have you any data to show what the actual strength of the Army was—not how much you estimated for?

General WHIPPLE. That is about as near as we can come to it.

The CHAIRMAN. What is the actual strength of the Army now?

General WHIPPLE. It is about 57,000 men, as near as we can determine.

Mr. MANLEY. That includes some 3,000 men in the Hospital Corps that are not in the authorized strength that is fixed by the statute; but the line is about 54,000 men.

General WHIPPLE. We ask for a reappropriation of funds. The funds have already been appropriated. They are in the Treasury to the credit of two appropriations, only we have not drawn that out. Now, having this deficiency and needing a working balance, we are so short that we ask to have this reappropriated.

The CHAIRMAN. How much is your balance of your appropriation for 1908?

General WHIPPLE. I can put it this way: That the actual shortage in the appropriation of two items alone is \$781,425.

The CHAIRMAN. One of these is foreign-service pay?

General WHIPPLE. Yes.

The CHAIRMAN. What is the other?

General WHIPPLE. The other is on pay of enlisted men.

The CHAIRMAN. By the reduction of the estimates?

General WHIPPLE. Yes.

The CHAIRMAN. How much was that? Was it \$400,000?

Mr. MANLEY. The Secretary reduced it about \$900,000 and Congress reduced it about \$400,000 in addition to that.

The CHAIRMAN. You gave the two items of \$700,000. One of those you put in as \$312,645 as foreign service pay. Now, there must be \$300,000, almost \$400,000 to cover the other item. That was a reduction of the estimates?

General WHIPPLE. Yes, sir. Now, in addition to this, in order to have a working balance in the hands of our paymasters, there must be a little surplus. We have always had that, and, if it had not been for this reduction and for the foreign service pay in Cuba, we would not have asked to have this. We would have had sufficient. But as it is now we can not get along without this additional amount.

The CHAIRMAN. What is your working balance for the current year? How much have you got in the hands of paymasters now?

Mr. MANLEY. The working balance for the year is about half a million dollars.

General WHIPPLE. We have to have a working balance of about half a million dollars, and we always have that until we get all the appropriations for the fiscal year paid, and then that is covered into the Treasury. It is simply impossible to do it otherwise. You can see that when the 30th of June comes around we must have funds in the hands of these paymasters; otherwise we would be tied up. We do not get the new appropriations until well along in July.

The CHAIRMAN. Why?

General WHIPPLE. It takes time to get it and get it into the hands of paymasters.

The CHAIRMAN. You mean you do not get the actual money?

General WHIPPLE. The actual money. It is available, and we get the credit, but they have got to go to the Philippines and Cuba and elsewhere.

The CHAIRMAN. I would say you have a working balance of about \$500,000 in the hands of paymasters?

General WHIPPLE. Yes; about that.

The CHAIRMAN. Now, have you any money in the Treasury that has not yet been drawn that is to the credit of this appropriation?

General WHIPPLE. We have a little money in the Treasury, but not sufficient to carry us.

The CHAIRMAN. How much have you?

General WHIPPLE. About \$2,240,000, but then we have got another month to go yet, the month of June.

The CHAIRMAN. What is the expenditure per month out of this appropriation?

General WHIPPLE. It is running now about \$2,800,000.

Mr. KEIFER. You have not paid for this month yet, have you—this month of May?

General WHIPPLE. No, sir; but we have the money in the hands of paymasters.

Mr. KEIFER. You will pay for June in July, will you not?

General WHIPPLE. Yes, sir; that is right.

Mr. KEIFER. Out of this year's appropriation?

General WHIPPLE. Yes, sir; but it is very important for us to have a working balance.

The CHAIRMAN. You have \$2,000,000, you say, to your credit in the Treasury Department?

Mr. MANLEY. Two million two hundred and forty thousand dollars. That was the report last week.

The CHAIRMAN. And you have \$500,000 in the hands of paymasters?

General WHIPPLE. Approximately.

The CHAIRMAN. That is about \$3,000,000, approximately, and your expenditures are about \$2,000,000 a month?

Mr. MANLEY. Two million eight hundred thousand dollars.

General WHIPPLE. They have been running at \$2,800,000 for the last three months.

Mr. MANLEY. We have to have a full supply for June, the sum of \$2,800,000, and also a supply of \$1,600,000 for July, to pay up to the 30th of June. One million six hundred thousand dollars must be paid out after the 30th of June out of this appropriation.

Mr. KEIFER. You pay all the salaries for June after the 30th?

General WHIPPLE. All the enlisted men are paid after the 30th of June.

Mr. KEIFER. I believe all the officers are paid monthly now, are they not? It used to be every two months.

Mr. MANLEY. A great many are paid the last day of the month.

Mr. KEIFER. Have you chief paymasters on the Pacific coast and in Cuba and the Philippines?

General WHIPPLE. Yes, sir.

Mr. KEIFER. And this sum of \$500,000 in the hands of paymasters is in the hands of the chief paymasters?

General WHIPPLE. Yes.

The CHAIRMAN. According to your statement, this estimated deficiency of \$1,230,000 will be about a million short of what you require if your expenditures are about \$2,800,000 a month, and that would be \$5,600,000 for May and June, and your cash balance in the Treasury is \$2,420,000 and the balance in the hands of paymasters is \$500,000, making \$2,920,000, and that, together with this estimated deficiency of \$1,230,000, would make your available appropriation \$4,150,000, while your liability, according to your statement, would be \$5,600,000.

General WHIPPLE. What we are asking for would just about cover it.

The CHAIRMAN. No. I say, with your balance in the hands of paymasters, you have a total of \$2,920,000. Now, add to that the estimate of \$1,230,000, and that gives you a total of \$4,150,000, while you say your aggregate expenditures per month are \$2,800,000, making \$5,600,000 for two months.

General WHIPPLE. This is the way I figure it, Mr. Chairman; \$2,800,000 will be required for the month of June, and then \$1,600,000 will be required in the month of July. That is \$4,400,000. Now we have in the Treasury \$2,240,000, and we have in the hands of paymasters \$500,000, and we have a working balance of \$500,000. That makes \$3,400,000.

The CHAIRMAN. You have a balance in addition to the \$500,000 in the hands of the paymasters? You counted it just now twice. You have counted \$500,000 as a working balance, and \$500,000 in the hands of paymasters, and \$2,400,000 in the Treasury?

General WHIPPLE. Yes.

Mr. KEIFER. The chairman's idea is that you counted that \$500,000 twice.

Mr. MANLEY. Yes. That \$500,000, ordinarily a working balance, and \$500,000 besides.

The CHAIRMAN. I understood you to say a moment ago that this \$500,000 in the hands of the paymasters was a working balance.

Mr. MANLEY. All told, there is about \$1,000,000 in the hands of paymasters.

Mr. KEIFER. The chairman in his figures thought it was necessary for you to have the money for May and June. You only put in June.

Mr. MANLEY. We have money for the month of May in the hands of paymasters.

Mr. KEIFER. You have?

Mr. MANLEY. Yes.

Mr. KEIFER. That is treated as so much practically paid?

Mr. MANLEY. Yes.

The CHAIRMAN. You have not paid yet, but you have enough money in the hands of paymasters to pay for the month of May?

General WHIPPLE. Yes.

The CHAIRMAN. Yes; and then in addition to that, you have \$500,000 and a working balance of \$500,000, which would make \$3,800,000?

General WHIPPLE. \$3,400,000.

The CHAIRMAN. Yes; \$3,400,000 in the hands of paymasters.

Mr. KEIFER. \$2,800,000 for the payment in May. Then if you had a million dollars, it would be \$3,800,000?

General WHIPPLE. Yes.

Mr. MANLEY. Not quite that. The current payments are going on.

The CHAIRMAN. On top of \$3,800,000 you have in the Treasury \$2,240,000?

General WHIPPLE. Yes, sir.

The CHAIRMAN. In other words, you have \$6,220,000, including the working balance, and the money in the hands of paymasters, and the money in the Treasury of the United States?

General WHIPPLE. Yes.

Mr. KEIFER. Now what have you got to pay accounts with?

The CHAIRMAN. You have the month of May and the month of June, and \$1,600,000 carried over to the month of July.

Mr. SCOFIELD. That makes it right.

The CHAIRMAN. That makes it \$5,760,000.

General WHIPPLE. That makes it right. We are a million dollars short.

Mr. KEIFER. I think that is right.

The CHAIRMAN. That would leave you \$440,000 for a working balance at the end of the fiscal year, without any deficit at all.

Mr. KEIFER. Then, you would want that other \$500,000 in the hands of paymasters, which would practically bring you up to the million that you want here.

The CHAIRMAN. That includes your \$1,600,000 for July. That would run them over. Their appropriation would be available on the 1st of July.

Mr. SCOFIELD. Mr. Chairman, you showed that they had \$3,800,000 in the hands of paymasters and \$2,400,000 in the Treasury. You showed, altogether, \$6,200,000 as resources?

The CHAIRMAN. Yes.

Mr. SCOFIELD. Against that you have two full months' pay of \$2,800,000, and \$1,600,000 in July, and that leaves just \$1,000,000 deficit—that is, their liabilities are \$7,200,000, and they have resources, as shown by you, of \$6,200,000, which makes an apparent deficit of \$1,000,000; and they are asking for \$1,230,000.

General WHIPPLE. It is a very conservative estimate, Mr. Chairman, because recruiting is increasing rapidly in the Army.

The CHAIRMAN. Why do you have to carry \$1,600,000 over into the next fiscal year? Is that for the payment of—

Mr. KEIFER. They are paying for June while they are in that year.

The CHAIRMAN. We are allowing them for June.

Mr. MANLEY. That is for payments actually made in June.

The CHAIRMAN. No; but your monthly charge against this appropriation averages, you say, about \$2,800,000?

General WHIPPLE. Yes.

The CHAIRMAN. That ought to pay all of June.

Mr. MANLEY. It will pay everything in June, but it will not pay all the Army up to the 30th of June. We will have to carry \$1,600,000 over to pay after the 30th of June for payments that accrued on the 30th of June.

The CHAIRMAN. Then the monthly charge against this appropriation is not \$2,800,000.

Mr. MANLEY. It has been increased very much in the last two or three months.

The CHAIRMAN. According to your statement now, your payment in the month of June would be over \$4,000,000.

Mr. SCOFIELD. \$4,400,000.

Mr. MANLEY. We are speaking of the disbursements for the month, Mr. Chairman, and that comes between \$2,500,000 and \$2,800,000.

The CHAIRMAN. Why should it be so much more in June than in any other month in the year?

Mr. MANLEY. It is not. The surplus goes over into July. The \$1,600,000 goes over into July.

Mr. KEIFER. They are always keeping that \$1,000,000 surplus, working balances, and so on. It is a little complicated.

The CHAIRMAN. I wish, General, you would give me, as near as you can, and send it up here to-morrow, a statement of all funds that were available for the purpose stated in this paragraph, and the charges that you will have, including May and June, against the appropriation at the end of the fiscal year.

Mr. KEIFER. And what deficit will be necessary.

The CHAIRMAN. And how much of this working balance you say is carried over and turned back into the Treasury at the end of the year, after all obligations have been paid.

General WHIPPLE. In the form of a letter?

The CHAIRMAN. Yes; so that we will know the exact status of your accounts; and get it as accurate as possible.

WAR DEPARTMENT,
OFFICE OF THE PAYMASTER-GENERAL,
Washington, May 12, 1908.

The CHAIRMAN COMMITTEE ON APPROPRIATIONS,
House of Representatives.

SIR: In accordance with your request I have the honor to submit the following information relative to the condition of the appropriation for pay of the Army for the fiscal year ending June 30, 1908:

Amount appropriated.....	\$30,918,677.23
Expended from July 1, 1907, to April 30, 1908, inclusive.....	25,039,877.44
Unexpended balance May 1, 1908.....	5,878,799.79
In hands of paymasters May 1, 1908.....	\$3,638,799.79
In Treasury.....	2,240,000.00
	<hr/> 5,878,799.79
The estimated expenditures from May 1, 1908 are:	
In May, 1908.....	2,800,000.00
In June, 1908.....	2,800,000.00
In July, 1908, and subsequent months.....	1,600,000.00
	<hr/> 7,200,000.00
Deduct amount available as above.....	5,878,799.79
Deficiency.....	<hr/> 1,321,200.21

Respectfully,

C. H. WHIPPLE,
Paymaster-General, U. S. Army.

PAY OF MILITARY ACADEMY.

General WHIPPLE. Yes, sir. There is one other item, and that is the Military Academy, and the note explains that. There is a captain detailed now, instead of a major.

INCREASED PAY OF THE ARMY.

The CHAIRMAN. Now, General, I wanted to ask you if you made any estimate of what your deficiency is in consequence of this new law going into effect as soon as the President signs it?

General WHIPPLE. No, sir; only in a general way. We think it will be about \$750,000 a month.

The CHAIRMAN. That will be about \$1,500,000 for two months?

General WHIPPLE. About that. I have been waiting to hear from the President to know the date. I can put that in to-morrow when we find out that the bill is signed.

The CHAIRMAN. Give me a separate memorandum of the amount of increase necessary in consequence of this new law.

General WHIPPLE. If the President signs it to-day, I can.

Mr. SCOFIELD. We will take steps to find out. You want an approximate estimate?

The CHAIRMAN. Yes. I am not going to carry it here. It is not estimated for here, but the question may be asked on the floor of the House.

WAR DEPARTMENT,
OFFICE OF THE PAYMASTER-GENERAL,
Washington, May 12, 1908.

The CHAIRMAN APPROPRIATIONS COMMITTEE,
House of Representatives.

SIR: In accordance with your verbal request of yesterday I have the honor to state that the deficiency for the fiscal year 1908, caused by the increase in pay to officers and enlisted men of the Army, will be \$1,250,000, that is, from May 11 to June 30, or \$750,000 per month.

Respectfully,

C. H. WHIPPLE,
Paymaster-General, U. S. Army.

Now, Mr. Scofield.

Mr. SCOFIELD. There are a couple of items here.

SURVEY OF FORT CASWELL MILITARY RESERVATION.

The CHAIRMAN. For survey of a portion of the Fort Caswell Military Reservation, near Wilmington, N. C., \$750, etc.

Mr. SCOFIELD. This note explains the thing, but perhaps you want some more detailed information. The facts briefly are these: In 1904 the owner of the land immediately west of this reservation wrote to the War Department stating that our western boundary line projected upon his land about 1,000 yards, calling on us to correct it, and we looked into the matter. We have had this reservation since about 1825, and looking back into the records we came to the conclusion that he was wrong, and so advised him. But he came back again, and we looked it up still further, and found that while our western boundary line might not be absolutely accurate, it would not vary but within a few feet, a foot or so; nothing like the 1,000 yards that he claimed, and we reported our stand, and thereupon he said he was going to bring suit, and did.

The CHAIRMAN. The suit has not yet been determined?

Mr. SCOFIELD. No. But in the course of the suit the court ordered a survey to determine the boundary line. The survey has been made, and the man who made this survey has already expended out of his own funds \$250, so the United States district attorney advised us, and asked us to secure funds for the Government's share as adjudged by the court; and this is for the purpose of paying that.

The CHAIRMAN. This is not for the purpose of paying any judgment that may be rendered hereafter?

Mr. SCOFIELD. No, sir.

The CHAIRMAN. This is for the payment of expenses incident to the suit that the man brought to determine the exact boundary line?

Mr. SCOFIELD. Yes. The court ordered the survey to be made, to determine the exact boundary lines.

The CHAIRMAN. Is the cost of that survey to be assessed evenly upon the two parties?

Mr. SCOFIELD. I do not know, but that is the impression of the district attorney.

The CHAIRMAN. When the order was made for the survey, did not the court specify?

Mr. SCOFIELD. I think it did not. I am not sure about that. But the district attorney asked us——

The CHAIRMAN. If he loses the suit, the costs should be paid by the plaintiff.

Mr. KEIFER. That may be true. But if his statement is accurate, that there is some mistake in the lines, a court of equity will tax them equally.

Mr. SCOFIELD. The establishment of our western boundary line is admittedly not exact.

The CHAIRMAN. When do you anticipate that this suit will be determined?

Mr. SCOFIELD. In a short time.

Mr. KEIFER. I suppose it depends upon whether the court approves this survey that has been ordered?

Mr. SCOFIELD. Yes.

Mr. KEIFER. Do you know, whether the line corresponds to your contention?

Mr. SCOFIELD. I understand it confirms our contention.

The CHAIRMAN. On the face of it, this appears to be an appropriation for an indefinite amount, to be hereafter ascertained upon the final judgment of the court, and it is not usual to appropriate for expenses of that kind in advance of the determination——

Mr. KEIFER. An anticipatory appropriation.

Mr. SCOFIELD. The only reason for making this appropriation at this time is the fact that the surveyor has actually advanced out of his own pocket for labor and services \$250 and more. I suppose he needs the money.

Mr. KEIFER. You will not pay the money until the court says so?

Mr. SCOFIELD. No. The decision is expected within a few weeks. It is pending now, and expected at any time.

Mr. KEIFER. It ought to be paid probably more promptly than you could pay. I see the difficulty about it, but I agree with the chairman

that it is very unusual to appropriate money if you do not know that you will ever have to pay it.

Mr. SCOFIELD. I will look into that and advise you a little more fully as to that.

TRANSPORTATION OF REMAINS OF LOUIS LEMAY.

The CHAIRMAN. The next item is—

The accounting officers of the Treasury are authorized and directed to allow the sum of one hundred and sixty-four dollars in the settlement of the accounts of Captain Ira L. Fredendall, quartermaster, United States Army, being the cost of transportation of the remains of Sergeant Louis Lemay, Company F, Fifteenth Infantry, from Monterey, California, to his home in Marlboro, Massachusetts, at the request of the family of the deceased, one hundred and sixty-four dollars.

Mr. SCOFIELD. Yes. This is an item of \$164 to relieve a quartermaster for an expenditure that he incurred in transporting from Monterey, Cal., to Marlboro, Mass., the body of a sergeant who was killed at the target butt. He was keeping score and probably raised his head a trifle just as a shot was fired. It struck him right over the eye, and he was killed instantly. He was an excellent, careful man, and it was an accidental death. It must have occurred that way.

Mr. KEIFER. Out at the Presidio?

Mr. SCOFIELD. Yes; at the Presidio of Monterey, not at the San Francisco Presidio. He was buried at the post the next day. A short time afterwards Senator Hoar wrote a letter to the Department asking to have his remains transported to his friends in Massachusetts if there was any way of doing it.

There is, as you know, an appropriation for transporting the remains of soldiers who die or are killed in action or at any camp or in the field in foreign service, and the whole thing hinges upon this: That the law provides that a man killed in camp shall have his remains transported. This man was killed in a fort and not in a camp, but it was held by the Acting Secretary of War, upon the recommendation of the Quartermaster-General, that this was a very exceptional case, and he thought that the regulations made under that law could be waived, and that the case could be considered as coming under the law. The Secretary of War authorized the expenditure, and the quartermaster had nothing to do but to pay it, which he did. The Auditor suspended it, as not being authorized by the law and regulations, and thereupon it went to the Comptroller on appeal, and he sustained the Auditor on this question. There is no law allowing the free transportation of the remains of a man who is killed at a fort. The nearest approach to that law is the law allowing transportation of remains of a man killed in camp. This man was not killed in camp, but at the fort, and the Comptroller draws a distinction between a fort and a camp.

Mr. KEIFER. I think that is a fine distinction. He was in the camp practically, engaged in practice at drilling, just as they all are.

Mr. SCOFIELD. It was done in good faith by the Department, and in any event the officer who made the payment had no other course but to observe the order of his superior; and he did it, and has been out of his money ever since.

MONDAY, *May 11, 1908.*

NAVY DEPARTMENT.

STATEMENT OF MR. CHARLES W. STEWART, LIBRARIAN.

PURCHASE OF DIRECTORIES AND SOCIAL REGISTER.

The CHAIRMAN. The first item, Mr. Stewart, is on page 42:

The Secretary of the Navy is authorized to pay from the appropriations for library, Navy Department, for the fiscal years nineteen hundred and six and nineteen hundred and seven, vouchers in favor of Ballantyne and Sons, Washington, District of Columbia, for city directories, amounting to twenty-nine dollars, and the Social Register Association, New York, New York, for Social Register, amounting to twenty-five dollars, purchased for the library of the Navy Department.

Do you know anything about this item, sir?

MR. STEWART. Yes, sir; I know all about it. It has been customary there to get directories, and they are purchased on the order of the Secretary. The library is the only place in the Department where there are directories. They can not buy them in any other bureau or office, and under the decision of the Comptroller, from the way the bill is worded, the Department can not buy a directory for the transaction of its business at all.

These were ordered on the 1st of July, the first of the year, because they begin to come out then, being ordered with the other periodicals, and they wait until they have six or eight items in the bill and then send them in. When this bill came in for the five city directories—Baltimore, Cincinnati, Philadelphia, Chicago, and San Francisco—the Comptroller held that up, and also the item called the Social Directory, which is published in New York City and is the social directory of the principal cities of the United States.

The CHAIRMAN. That Social Directory is just what it purports to be, is it not?

MR. STEWART. It is that and a great deal more. It is simply for identification and addresses of individuals in correspondence. We had never bought one of these before, and we were continually sending to the State Department and borrowing their Social Register, and they finally declined to let us have it any more. Then the Secretary directed that it be purchased.

The CHAIRMAN. How can a Social Directory be necessary for the work of the Navy Department?

MR. STEWART. Simply to identify individuals.

The CHAIRMAN. You have your city directories?

MR. STEWART. They do not give this information.

The CHAIRMAN. A city directory gives the name and address of everybody living in a city; the address and name and occupation.

MR. STEWART. No, sir; that is not the fact.

The CHAIRMAN. Of course it does not give the social standing that the Social Register purports to do.

MR. STEWART. It is something of that nature, but it gives a great deal more information. For instance, the Secretary of the Navy and the officials have a great deal of correspondence with people who represent a society, or class, as, for instance, the people of Yale, and this Social Register gives the school they come from, their house ad-

dress, their telephone, and so forth. It is, to be sure, a social register, but it is a good deal more. The purpose that it is used for is to identify people in correspondence.

The CHAIRMAN. It is used principally for social purposes here in the city of Washington.

Mr. STEWART. That may be its use here, but the principal use of it in the Navy Department was to identify individuals. I have had to go myself or send around to the State Department many times in a day for the Secretary or Assistant Secretary.

The CHAIRMAN. When you are directed to buy anything that the law does not authorize you to buy, do you ever call the attention of the Secretary to that fact?

Mr. STEWART. Yes, I have.

The CHAIRMAN. Or do you assume that his authority is supreme?

Mr. STEWART. No, sir; the Secretary is very genial, and this matter came up when Mr. Moody was there. I took the case to him. It is practically the same law now as existed then. He held that the term "directories" came under the division of technical and professional books, and got an opinion from the Comptroller, who wrote him a sort of formal note and said that for us a professional book was a book pertaining to naval affairs, and that these directories were necessary to have. It is an economy for the library to have these directories.

The CHAIRMAN. So far as the city directories are concerned, I do not question but that they are essential to the administration of the business of the Department; but I could not exactly figure out how a Social Register is particularly essential to the administration of the great Department of the Navy.

Mr. STEWART. In that case I was directed to get it.

MONDAY, May 11, 1908.

NAVAL ESTABLISHMENT.

STATEMENT OF MR. TRUMAN H. NEWBERRY, ASSISTANT SECRETARY OF THE NAVY.

MIDSHIPMEN.

The CHAIRMAN. Mr. Secretary, on page 53 is an item which reads as follows:

The members of the class of midshipmen graduated from the Naval Academy on September twelfth, nineteen hundred and six, and February eleventh, nineteen hundred and seven, shall, subject to the usual examinations, be commissioned as ensigns after two years' sea service from the dates, respectively, of such graduation.

Heretofore it has been the practice, has it not, to date their commissions two years after the date of their graduation?

Mr. NEWBERRY. Since 1898 in several cases that have arisen they have been commissioned after two years' sea duty or after four years' constructive service at the academy.

The CHAIRMAN. The midshipmen that this provision would apply to are the midshipmen who graduated prior to the final graduation after four years' service in the Navy?

Mr. NEWBERRY. Yes, sir. This applies to the class which entered the academy in 1903 and which, if they had been there practically four calendar years, would have graduated in June, 1907. This was done in view of the necessity for more officers afloat, and in June, 1906, the Department divided the class into three sections in accordance with their standing. The first section, the highest, spent their summer vacation of 1906 at the academy studying and were graduated from the academy in September, 1906, instead of June, 1907; the second division were graduated in February, 1907, instead of June, 1907, and the third division in June, 1907. The matter only came up to the Department as to the legality of the question on inquiry from the accounting officers. The construction of the Secretary of the Navy, who has decided the matter—and it is in accordance with the Revised Statutes—is that regardless of any regulations which the Navy Department may make they must have a six years' course, and this gives them only a five years' course. If this paragraph does not become a law, while they studied and worked and spent their summer vacation preparing for this thing and merited the early graduation from the academy, if they are not commissioned until next June, in accordance with the decision of the Judge Advocate-General, which Mr. Metcalf has approved, anybody appointed from civil life in the Navy—a civil engineer or paymaster or doctor—between September and the following June will forever rank these youngsters in the Navy; that is, as far as prestige goes, but the greater damage to them is the loss of pay between that time and the time when they are really entitled to their commissions and their failure to receive the benefits of either retirement or of pension in case of disaster in the performance of their duties. Until they lose the midshipmen's status and become ensigns they do not acquire either a retirement or pensionable status in the Navy Department, and for that reason the Department most earnestly recommends the passage of this law.

Mr. KEIFER. Would not those of the class that graduated in June stand an equal chance in getting rank with the others of the class in a new examination, a final examination?

Mr. NEWBERRY. Yes, sir.

Mr. KEIFER. Would they not stand an equal chance with those of September or February prior?

Mr. NEWBERRY. In arriving at their final standing?

Mr. KEIFER. Yes, sir.

Mr. NEWBERRY. I think they would.

Mr. KEIFER. Would that not be an injustice in some sense?

Mr. NEWBERRY. No; because I think the boys had the notification a year prior.

Mr. KEIFER. What I mean is that by delaying the final examination until June they might by reason of being fresh from class get a rank above the others?

Mr. NEWBERRY. Those men should be examined in the sections that went out, those in September, this September, those in February, next February, while the lowest third would not be examined until June.

Mr. KEIFER. But I understand they are all to be commissioned two years from June, 1907?

Mr. NEWBERRY. Yes, sir.

Mr. KEIFER. And at the time they are commissioned they undergo an examination?

Mr. NEWBERRY. Yes, sir.

Mr. KEIFER. Those in June would go in at the same time as those in September and might they not—those in June—get even ahead of those in September?

Mr. NEWBERRY. The tail might get ahead of the top, who have been nine months' longer out of the academy.

Mr. KEIFER. In the technical examinations those who stay in the class longer at the academy might beat the others?

Mr. NEWBERRY. Yes, sir.

The CHAIRMAN. The statement has also been made that since the September men have gone out of the class two studies have been added to the studies in the academy which those men have not had the benefit of at all, but which they will have to stand an examination in if the present construction prevails?

Mr. NEWBERRY. I have not heard of those two studies, but it would be unfair to them, of course.

The CHAIRMAN. If any studies have been added since they have gone out it would be manifestly unfair to them to require them to stand an examination in those studies that have been added since they left the Academy?

Mr. NEWBERRY. It would be very unfair.

The CHAIRMAN. And in competition with the June graduates, that might give the June graduates who were the poorer members of the class a decided advantage over the better members?

Mr. NEWBERRY. Yes, sir.

Mr. KEIFER. I want to ask you another question. Under what law or regulation are they permitted to close their academic term in September before June?

Mr. NEWBERRY. That is under a construction of law which quotes a decision which is very clear on that matter, that a calendar year is not necessary under certain conditions of law. For instance, as to when a calendar year is not meant the American and English Encyclopedia of Law states:

Where there was a contract to sell all fruits which might be raised during a certain year on a certain farm, and a portion of the purchase price was to be paid "when the crop is taken off at the end of the year," it was held that by the end of the year was meant end of the fruit season.

That is the constructive four years according to the definition of the law at the Academy and practically all schools and colleges.

The CHAIRMAN. As I understand the matter, Mr. Secretary, the Department or the Academy, with the approval of the Secretary, adopted this plan in order that the Government might take advantage of the superior mental qualifications of the best men in the class, and thereby secure officers afloat much earlier than the Government could otherwise have obtained them?

Mr. NEWBERRY. Yes, sir; that was the reason.

The CHAIRMAN. The reason for this regulation allowing the men the opportunity of studying during vacation and qualifying themselves in advance of the time they otherwise could have qualified was for the purpose of securing the necessary officers at the earliest time possible?

Mr. NEWBERRY. Yes, sir. The commissioning of a good many ships, seven or eight battle ships, required it.

The CHAIRMAN. Now, if the present construction is not modified as to those men they will be deprived of the advantage and extra amount of work they have done and the extra services they have rendered to the Government?

Mr. NEWBERRY. Yes, sir. It deprives them of the difference in pay, it deprives them of the benefits of the retirement and pension laws in case of disaster or accident to them and of rank where others are appointed into other branches of the service with six years' constructive service, it deprives them of rank. The other men would rank them all their lives.

Mr. KEIFER. And it deprives them of forever being ahead of the June men?

Mr. NEWBERRY. Yes, sir; I think that is rather remote, but still it does exist. My sympathies are all with the boys; I think they are entitled to this.

The CHAIRMAN. This was the only class that had the opportunity of taking advantage of the graduation as a result of the conditions?

Mr. NEWBERRY. Yes, sir; this is the only class.

Mr. KEIFER. That is not liable to happen this year?

Mr. NEWBERRY. It will not happen because we will not have to graduate them ahead of time this year, and it is not likely that we will have to again.

NAVY DEPARTMENT, *Washington, April 27, 1908.*

DEAR SIR: In compliance with your telegram of this date, I take pleasure in inclosing herewith a copy of an order to the superintendent of the United States Naval Academy fixing the time of the examination for final graduation of the midshipmen of the three sections of the class of 1907, on March 8, 1909, and stating that commissions can not lawfully be issued to any of the members of these sections until June 1, 1909; also a copy of a letter to the commanding officer of the U. S. S. *Vermont*, which is a copy of the letters sent to all ships and stations where midshipmen of the class of 1907 are serving.

It has been the practice of the Department since early graduations began in 1898 to issue commissions to the midshipmen after two years' sea service, but the question arose with the class of 1907 as to whether it would be possible to commission the members of the three sections, which graduated from the Naval Academy on three separate dates, on the corresponding dates each section might complete the two years' service at sea. It was held by the Department, after receiving a written opinion from the Judge-Advocate-General, that it would not be legal to issue commissions to the class of 1907 until the last section had completed the two years' course at sea in June, 1909.

Respectfully,

TRUMAN H. NEWBERRY, *Acting Secretary.*

✓ Hon. J. A. TAWNEY,

✓ Chairman Committee on Appropriations, House of Representatives.

NAVY DEPARTMENT, *Washington, March 5, 1908.*

✓ SIR: The Department informs you that it has decided that the earliest date on which any of the members of the class of 1907 may be lawfully commissioned is June 1, 1909, and not before. Therefore, commissions will be issued to the midshipmen of the three sections of this class to date from June 1, 1909.

In view of this decision the Department hereby revokes the approval of your recommendation that the members of the first section of the class of 1907 be examined June 12, 1908, as, if examined at that time, it would be necessary to hold up their commissions for one year.

As the members of the three sections will be commissioned from June 1, 1909, as stated above, it is hereby directed that the examination of all midshipmen of the class of 1907 take place on the same date, and that this examination take place on March 8, 1909.

Respectfully,

V. H. METCALF,
Secretary.

The SUPERINTENDENT U. S. NAVAL ACADEMY,
Annapolis, Md.

WASHINGTON, D. C., March 27, 1908.

SIR: The Bureau informs you that all the midshipmen of the class of 1907, which class graduated from the Academy in three sections in September, 1906, February, 1907, and June, 1907, respectively, will be examined for final graduation March 8, 1909.

Under a recent decision of the Department, commissions to any of the members of this class can not be issued until June 1, 1909.

Respectfully,

C. McR. WINSLOW, *Assistant to Bureau.*

The COMMANDING OFFICER U. S. S. VERMONT.
(Commander in Chief.).

Table showing early graduation from the Naval Academy and corresponding early commissioning of midshipmen as ensigns.

Year of entrance.	Date of graduation.	Date of commissions.
1892.....	June, 1896.....	May 6, 1898. ^a
1893.....	June, 1897.....	July 1, 1899.
1894.....	April, 1898 ^a	April 4, 1900. ^a
1895.....	January, 1899 ^a	January 28, 1901. ^a
1896.....	June, 1900.....	July 1, 1902.
1897.....	June, 1901.....	June 7, 1903. ^a
1898.....	May, 1902 ^a	May 2, 1904. ^a
1899.....	February, 1903 ^a	February 3, 1905. ^a
1900.....	February, 1904 ^a	February 2, 1906. ^a
1901.....	January, 1905 ^a	January 31, 1907. ^a
1902.....	February, 1906 ^a	February 13, 1908.
1903.....	87 in Sept., 1906.....	
	50 in Feb., 1907.....	
	73 in June, 1907.....	

^a Variations from previously established procedure.

PAY OF THE NAVY.

STATEMENT OF LIEUTENANT-COMMANDER W. R. SHOEMAKER, ASSISTANT TO CHIEF OF BUREAU OF NAVIGATION.

The CHAIRMAN. Commander, you are at the head of the Bureau of Navigation, or are you an assistant?

Commander SHOEMAKER. I am in charge of the enlisted personnel under the Bureau of Navigation.

The CHAIRMAN. Your first item is "To supply a deficiency in the appropriation 'Pay of the Navy,' \$2,109,218."

Commander SHOEMAKER. Yes, sir.

The CHAIRMAN. Your current appropriation is \$21,000,000. Will you state how this deficiency arises?

Commander SHOEMAKER. Yes, sir. The appropriation for this fiscal year, ending June 30, 1908—the estimate for it of the Bureau of Navigation—was for \$23,643,000 and the amount appropriated was \$21,000,000, leaving that much of a deficit. Taking the estimates for the first quarter and the second quarter, which the Bureau of Supplies and Accounts has received, and which amount for the first quarter to \$5,572,178.78 and for the second quarter to \$5,802,430.31, making a total of \$11,374,609.09, and supposing that the expenditures for the second half will be double those of the first half, which is the only practical way you can get at it, it will make the total expenditure for the year \$22,729,218.18.

During this year we have recruited more men than we have in any previous year. In fact, for the first six months the number recruited

was about the same as the number recruited in the previous year, due to a good many causes; people being out of employment, and better methods of recruiting, and so on. So, taking the average number of the enlisted men in the last six months of the year, we estimate it will be about 2,000 more than those enlisted in the first half. The estimated pay for these men will be in the neighborhood of \$30 each, and that gives a total of \$360,000 additional that would be required for their pay. This amount, added to the estimate, doubling the first half year's estimate, gives \$23,109,218.18, which is about \$500,000 less than the amount estimated by the Bureau for that year.

The CHAIRMAN. How many enlisted men have you in the Navy now?

Commander SHOEMAKER. In the Navy to-day, or on the 9th of May, the number was 38,031. The total number provided by law is 38,500; 36,000 in active service, and 2,500 under training at the training stations. In addition to that are men who happen to be undergoing punishment in prisons, and also the number that are with the Naval Reserves. The total numbers that we have had in the Navy have never gone as high as 38,500; that is, leaving out the men in the prisons.

The CHAIRMAN. They do not draw any pay, do they, in the prisons?

Commander SHOEMAKER. They have no pay, but they have a per cent allowance of so much, and \$20 is put aside when they are discharged, at the end of their term of imprisonment; and their subsistence, and all that, comes under it. Of course it is an additional expense; but the men on duty as the Naval Reserves, about 6 to a ship, number about 100. They draw the same pay and allowances as any other enlisted men in the Navy do.

The CHAIRMAN. Do you know how many men you estimated for when you estimated for 1908?

Commander SHOEMAKER. Thirty-eight thousand five hundred.

The CHAIRMAN. That would include the 2,000 and odd under training, would it not?

Commander SHOEMAKER. Yes, sir. That would include everybody. We can not at any time have more than 38,500 in the service.

The CHAIRMAN. When you estimated for the pay of the Navy for the fiscal year 1908, you estimated for the maximum amount?

Commander SHOEMAKER. For the maximum number.

The CHAIRMAN. Do you know why your estimate was reduced?

Commander SHOEMAKER. No, sir. No reason was assigned. It was simply made \$21,000,000, instead of twenty-three million and some odd thousand dollars.

The CHAIRMAN. Is it or is it not difficult to arrive at the amount that will be necessary to meet the obligations of the Government to enlisted men? Is not their salary fixed by law?

Commander SHOEMAKER. It is fixed by the President and a regular pay schedule. They have certain allowances.

The CHAIRMAN. Has there been any increase in the pay schedule or allowances since the estimate was sent in a year ago?

Commander SHOEMAKER. I think there has been a slight one for foreign service. They get a little bit more, but that is all, so far as I know.

The CHAIRMAN. Do you know what that increase aggregated?

Commander SHOEMAKER. I suppose it will run to about \$30,000.

The CHAIRMAN. Other than that, there has been no change in the rate of pay since your estimate was submitted for the year 1908?

Commander SHOEMAKER. Not at all. There have been more this year. In addition to the first enlistment, there have been more reenlistments, and of course that takes with it the four months' gratuity. That is to say, a man who serves four years and reenlists gets four months' pay. The additional reenlistments have increased that somewhat. That is all a matter of estimate each year as to what we are going to do the next year. This year it has been abnormal. We have had more enlistments than ever before. We were getting so many that I had to stop recruiting and shut down all the substations. The highest number we ever had was 38,206 men. That was the greatest number. That was in February. In January we had 37,000, and then 33,000, and 33,000 again, so that there was always a good margin inside of the number we could recruit to, and the consequence is we have had to keep within the number. In April it had gotten down to 38,000 and over, and in May it is 31,000.

The CHAIRMAN. How much of your current appropriation remains to your credit?

Commander SHOEMAKER. About \$2,000,000. I have it somewhere. It is about \$2,000,000 and something.

The CHAIRMAN. What are your monthly payments?

Commander SHOEMAKER. I have not got that figured out exactly, but it would be in the neighborhood of \$2,000,000. It is a little less than that.

The CHAIRMAN. What do you include? Is this \$2,000,000 in the Treasury, or is part of it in the hands of paymasters?

Commander SHOEMAKER. It is money of the appropriation that has not been expended, so far as we can tell, by the estimates simply doubling the first half of the year.

The CHAIRMAN. How much do you aim to keep in the hands of your paymasters, ordinarily? Do they not pay by paymasters?

Commander SHOEMAKER. That is divided out all over the service. I suppose on board a ship, where the expenditures were running \$23,000 or \$24,000 a month for pay, and so on, the paymaster would have probably twice that much, and would keep that much on hand. If he was sailing on a long cruise, as this thing around the Horn, he would have more.

Mr. KEIFER. What the chairman wants to know is how much is in the Treasury and how much is in the hands of paymasters.

Commander SHOEMAKER. I do not know. That is in the Bureau of Supplies and Accounts. I do not know how much is in the hands of paymasters; that is, about the unexpended balance.

The CHAIRMAN. Do you know whether the month of May is provided for, or will that be paid out of the balance of \$2,000,000?

Commander SHOEMAKER. The balance that we have will not be enough to carry us through to the end. In addition to what is on hand now, unexpended, there is required about as much as we have now in addition.

Mr. KEIFER. Do these paymasters pay anything else but salaries and wages? Do they pay anything else on shipboard?

Commander SHOEMAKER. Out of the pay of the Navy?

Mr. KEIFER. Yes.

Commander SHOEMAKER. The pay of the Navy proper includes commutation of quarters for officers, the pay of clerks, and light and heat, and payments to enlisted men.

Mr. KEIFER. Salaries paid to the officers?

Commander SHOEMAKER. Yes. Everybody with commutation and light and heat, and pay of certain clerks at navy-yards that are paid out of the pay of the Navy.

The CHAIRMAN. The items you have enumerated are in addition to the monthly salaries of the enlisted men and officers of the Navy?

Commander SHOEMAKER. You mean what I enumerated a few minutes ago?

The CHAIRMAN. No, just now.

Commander SHOEMAKER. Yes. That is all in addition to the pay table. The Naval Register shows exactly what the quarters, light and heat, and everything is, and that is added to every officer's stipend. He does not get it in money—that is, for actual light and heat, whatever it costs the Government to supply it.

INCREASE OF THE PAY OF THE NAVY.

The CHAIRMAN. If Congress passes the bill for the increase of the pay of the Navy, as it has been agreed to by the conference committee, have you made any estimate, or can you make an approximate estimate, of how much it would require to meet the requirements of that law from now until the end of the fiscal year?

Commander SHOEMAKER. No, sir. I have not figured on that, but I can get the Bureau of Supplies and Accounts to give you an estimate on it if you want it. That is not appropriated for in here at all. We did not take any increase into account.

The CHAIRMAN. No. There was no authority to estimate for it, because it was not authorized. I would like to know for my own information. If you will ask Admiral Rogers to give the figures as the bill was agreed to in conference by the conferees, not as the item was put on in the Senate, I will be much obliged.

Commander SHOEMAKER. That would be \$500 per man. It would cost about \$135,000.

The CHAIRMAN. Per month?

Commander SHOEMAKER. Yes. That is for the officers. I am simply taking 2,000 officers and multiplying by 500. It would not be quite that much on the lower grades.

The CHAIRMAN. This naval proposition does not increase the pay of enlisted men, does it?

Commander SHOEMAKER. The pay of enlisted men is to be increased 10 per cent. Whatever the enlisted pay is now would be increased by 10 per cent. Ten per cent more, I take it, would pay for the legislation they are going to enact.

OUTFITS ON FIRST ENLISTMENT.

The CHAIRMAN. The next is to supply a deficiency in the appropriation, "Outfits on first enlistment, \$100,080." You have already had a deficiency of \$300,000 this year for that purpose?

Commander SHOEMAKER. Yes; for the fiscal year 1908. Taking the estimates for previous years, the enlistments, on this question

that I brought up a while ago, it was estimated that 12,000 would be enlisted the first enlistment. As the cost of the outfit is \$60, the estimate sent in by the Bureau of Navigation was for \$720,000. Of that, only \$600,000 was appropriated, leaving \$120,000 unappropriated.

The CHAIRMAN. You sent in your estimate at \$600,000. You must have added to it subsequently by a supplemental estimate.

Commander SHOEMAKER. This note that I have says that \$720,000 was asked for, but only \$600,000 was allowed. This [indicating statement in hand] was gotten up by the chief clerk of the Department, and I accepted his figures.

The CHAIRMAN. The amount of the original estimate was \$600,000, and if the estimate was increased it was increased by a supplemental estimate or by writing a letter to the chairman of the Committee on Naval Affairs?

Commander SHOEMAKER. Yes. At the time the urgent deficiency bill was put in, instead of having 13,000 enlisted men for the whole year, at that time the number of first enlistments was 13,000. You see it merely doubled the monthly ratio, and as the enlistments were being secured at a rate out of all proportion with previous years the Bureau deemed it expedient to ask for an urgent deficiency of \$300,000, which was allowed, making the appropriation \$900,000, which was sufficient for the enlistment of 15,000 men; and on April 20, when these deficiency estimates were sent in, the number of first enlistments had gone up to 14,168. It seemed probable on that date that the pending appropriation bill, which was to give 3,000 men immediately available, would be passed very soon. We had to take that into account, and the Bureau estimated that with the apparatus that we had for recruiting we would enlist about 2,500 men up to the 1st of July to help fill this additional quota of 3,000 men. Deducting 832 outfits which remained then unexpended—that is, all there were after these 14,168 had been gotten—this left 1,658 outfits still to be purchased, at \$60 an outfit, which made about \$100,080, and that was the amount we asked for.

Now, the first enlistments up to the evening of May 9 have reached the figures of 14,094, which practically exhausts the current appropriation. Calculating on the basis of new enlistments for the last two months, the Bureau estimates that at the least there will be 1,500 more new enlistments before the 1st of July, and there may be 1,668. We can not tell how many we will get. This \$100,080 is the amount to cover the 1,668. We did not make any change in the estimate, because we thought we could get the whole 1,668. That is to say, \$60 multiplied by 168 would be the difference in the estimate if we made it up to date.

COAL FOR THE NAVY.

STATEMENT OF REAR-ADMIRAL WILLIAM S. COWLES, CHIEF.

The CHAIRMAN. Your estimate "For purchase of coal and other fuel for steamers' and ships' use, and other equipment purposes," is \$700,000?

Admiral COWLES. Yes, sir.

The CHAIRMAN. You have already had a deficiency of \$1,000,000?

Admiral COWLES. Yes, sir.

The CHAIRMAN. This \$700,000 and the \$1,000,000 is in addition to the \$4,150,000 appropriated for the current fiscal year?

Admiral COWLES. Yes, sir.

The CHAIRMAN. Is this additional amount of \$1,700,000 due to the sailing of the fleet around the Horn?

Admiral COWLES. Yes, sir; extra coal and extra freight.

The CHAIRMAN. When you were before the committee on January 17 you stated:

I made my calculations and I found out that I was going to have a big deficiency. But I had to buy coal to store in California. There is no good coal mined out there that we have been able to locate to date. I had to buy coal in the East to store at Mare Island, at Puget Sound, at Honolulu, and at Cavite; then I had to send some coal to Yokohama; in addition to that I had to make contracts for transporting about 170,000 tons of coal to take the fleet out there, in addition to contracting for the additional coal.

Admiral COWLES. Yes, sir.

The CHAIRMAN. At that time did you not estimate that the \$1,000,000 deficiency would be all that would be required to give you all the coal necessary for this year?

Admiral COWLES. No, sir; I did not. At least, I hoped we might possibly get through the year.

The CHAIRMAN. Were you at that time estimating the amount on the itinerary of the fleet as you then understood it had been determined upon?

Admiral COWLES. We did not know whether the fleet was going any farther than California or not. I thought there was no use to ask for any more money than we actually needed and I asked for a million dollars to take the ships around there and I hoped, as I was storing a good deal of coal out there, it would pull me through; but I found after I came to go further into the matter that it was going to cost more money and that I was bound to have another deficiency.

When the appropriation "Coal and transportation" for the fiscal year 1908 was made, it was not contemplated that there would be any unusual movements of the fleet. When it was decided to send the fleet to the Pacific, it became necessary to provide additional money in order to keep the fleet supplied with coal. This was due partly to the increased amount of coal burned, there being a greater number of steaming days, but more particularly to the increased cost of coal, which varied from \$3 on the Atlantic seaboard to \$9 on the Pacific. That is, it was \$3 per ton for coal on the Atlantic coast then. It has gone down now a little to about \$2.60. Then it was about \$3, and \$9 on the Pacific seaboard, including \$6 freight practically.

Accordingly an additional appropriation of \$1,000,000 was requested to cover the deficiency. That is the one you have just referred to. At the time this money was granted the future movements of the fleet had not been decided upon. The itinerary of the fleet has now been definitely determined, and it is such that additional funds are necessary to provide coal for its consumption. The amount asked for, \$700,000, it will be noted, is sufficient to supply the fleet with coal for about two months' steaming.

We have been offered all sorts of coal—Australian coal and New Zealand coal. The Australian government stated unofficially that they were going to furnish all the coal for the fleet during the visit. Of course we could not think of accepting that, and we made all our

arrangements to ship American coal for the entire cruise. I mean eastern American coal, coal that we knew was good steaming coal—Maryland coal, West Virginia coal, and Pennsylvania coal—our own steaming coals that we knew were good. We shipped that coal around to the Pacific and then we made up our minds that we would go on and ship the same coal to New Zealand and Australia and to the island of Ceylon and wherever they called, so that they would have coal they were accustomed to and coal from our own mines. We could not ship that coal in our own vessels because we did not have enough of them for movement of precision in that time, but we took every American vessel that offered and let her carry as much coal as she could. Of course we had to pay them extra, about \$3.

Mr. BRUNDIDGE. Per ton?

Admiral COWLES. Yes, sir. Where the foreign ship carried it for \$5.50 our ships would carry it for \$8, and could not get along with any less. We kept them moving whenever we could, both sailing ships and steamers. Of course, the sailing ships did not get \$8; they got about the same as the foreign steamers.

The CHAIRMAN. You estimate that this \$700,000 will purchase coal enough to supply the fleet during its entire itinerary?

Admiral COWLES. Yes, sir; and as you see we are coming into the next fiscal year.

The CHAIRMAN. Are you estimating for the next fiscal year?

Admiral COWLES. No, sir. If we were doing that we would not be here. I am asking this \$700,000 to get through this year.

The CHAIRMAN. If the fleet does not leave the Pacific coast until the 1st of July—you stated in your hearings before the committee last January that the deficiency arose because of the sailing of the fleet and your shipping coal to Cavite, Mare Island, Puget Sound, and Hawaii—

Admiral COWLES (interrupting). Yes, sir; I have the figures here. The appropriation act of March 2, 1907, \$4,100,000; the appropriation act of February 15, 1908; that was the deficiency, \$1,000,000. Now, credit by transfers, actual, coal we supplied to different people for different purposes for which we were reimbursed, \$294,769.66. That is up to the 1st of April. The March estimate is \$47,994.41. Then, another item, less naval fund, \$37,056.02. All those amount to \$305,708.05. Then we made from sales for cash \$15,480.23, the whole amounting to \$5,471,188.28.

Now, the debits, coal, \$2,871,584.15; transportation, \$2,275,025.58; coal depots, \$296,900; labor, \$229,679.99; handling, \$32,472.14; tug, \$10,150; oil and gasoline, \$22,176.06; maintenance, \$40,746.50; estimate foreign account for the year, that is the coal we bought in foreign ports, \$900,000; total debits, \$6,678,734.42, making an overobligation of \$1,207,546.14. To offset this there is estimated value of credits from all sources for the remainder of the fiscal year, i. e., reimbursements for coal sold to other departments, sales for cash, excess of coal not required on contracts, etc., \$507,546.14. The difference between \$1,207,546.14 and \$507,546.14 is \$700,000, just the amount that is asked for to go through the fiscal year.

The CHAIRMAN. None of this is for the purchase of coal for the fleet, is it?

Admiral COWLES. This is for coal already purchased. We have spent this money. It is to get us through the fiscal year.

The CHAIRMAN. If the fleet does not sail from the Pacific coast until July 1, you will not want any of this \$700,000 for the fleet?

Admiral COWLES. I have already spent it. It shows here.

The CHAIRMAN. Have you spent it or obligated it?

Admiral COWLES. Spent it.

The CHAIRMAN. You did not spend it when you did not have the appropriation?

Admiral COWLES. The fleet had to keep going; I could not stop them very well. I am very sorry that I had to spend money in advance. This cruise threw everybody all out on their calculations and threw me all out on the coal.

The CHAIRMAN. The \$700,000 is to pay your debts?

Admiral COWLES. Yes, sir; to get me out square. The coal we buy hereafter will be paid for out of the next fiscal year. Of course the Australian cruise was not thought of.

The CHAIRMAN. Have you ever made any estimate, Admiral, or could you state approximately what the cost in coal will be for the movement of the fleet from the Pacific coast to the Philippines, Japan, China, Australia, around through the Suez, and back to New York?

Admiral COWLES. I should have to make that up.

The CHAIRMAN. I wish you would.

Admiral COWLES. I can give you what it cost to take the fleet out there.

The CHAIRMAN. Give us that out to the Pacific coast.

Admiral COWLES. When it became definitely known that the battle-ship fleet would make the voyage around the world it was necessary at once to start the movement of coal in the direction of the points on the Pacific coast the fleet would rendezvous, and the following statement shows the number of tons of coal provided up to date for the purpose, and the cost thereof. It will be understood of course that a portion of this coal has been used to meet current requirements:

NAVY-YARD, MARE ISLAND.

Number of tons shipped.....	72, 219
Cost of coal.....	\$213, 224. 10
Cost of transportation.....	\$459, 522. 70
Total cost.....	\$672, 746. 80

NAVY-YARD, PUGET SOUND.

Number of tons shipped.....	41, 095½
Cost of coal.....	\$178, 156. 30
Cost of transportation.....	\$165, 837. 65
Total cost.....	\$343, 993. 95

NAVAL STATION, HONOLULU.

Number of tons shipped.....	63, 916½
Cost of coal.....	\$185, 085. 83
Cost of transportation.....	\$414, 174. 28
Total cost.....	\$599, 260. 11

TRINIDAD.

Number of tons shipped.....	15, 697
Cost of coal.....	\$51, 674. 82
Cost of transportation.....	\$12, 199. 14
Total cost.....	\$63, 873. 96

Of the above quantity approximately 8,000 tons were shipped in Government colliers.

RIO DE JANEIRO.

Number of tons shipped.....	23, 797
Cost of coal.....	\$79, 057. 17
Cost of transportation.....	\$15, 965. 00
Total cost.....	\$95, 022. 17

Of the above quantity approximately 18,000 tons were shipped in Government colliers.

When the ships got to Rio we found that the Government colliers burned up a good deal of their cargo coal en route, and we had to buy a lot of coal at Rio. We bought it in the market there.

The CHAIRMAN. What did you pay for it there?

Admiral COWLES. About \$7 a ton.

PUNTA ARENAS.

Number of tons shipped.....	21, 315
Cost of coal.....	\$64, 406. 20
Cost of transportation.....	\$83, 829. 16
Total cost.....	\$148, 235. 36

CALLAO.

Number of tons shipped.....	26, 418
Cost of coal.....	\$80, 643. 65
Cost of transportation.....	\$160, 885. 62
Total cost.....	\$241, 529. 27

MAGDALENA BAY.

Number of tons shipped.....	45, 833
Cost of coal.....	\$143, 887. 40
Cost of transportation.....	\$296, 580. 34
Total cost.....	\$440, 467. 74

SAN FRANCISCO.

Number of tons shipped.....	51, 176
Cost of coal.....	\$156, 493. 90
Cost of transportation.....	\$312, 809. 20
Total cost.....	\$469, 303. 10

RECAPITULATION.

Mare Island.....	\$672, 746. 80
Puget Sound.....	343, 993. 95
Honolulu.....	599, 260. 11
Trinidad.....	63, 873. 96
Rio de Janeiro.....	95, 022. 17
Punta Arenas.....	148, 235. 36
Callao.....	241, 529. 27
Magdalena Bay.....	440, 467. 74
San Francisco.....	469, 303. 10
Total.....	3, 074, 432. 46

In addition to the foregoing, contracts must be made to supply the fleet with coal to continue its voyage from San Francisco. A considerable portion of this coal must be supplied at San Francisco during the present fiscal year, though it will be consumed during the next. It is contemplated to pay for all remaining shipments to the west coast from the appropriation of the next fiscal year.

I would like to add to that statement just what it will cost to take the fleet from San Francisco to Honolulu, then to Auckland, then to Albany, Australia, then to Manila, then to Yokohama, then to Amoy, where they are going in China, then back on the way home to Manila again and then to Colombo, then to Suez, then in the Mediterranean, then at Gibraltar, where we are going to ship the coal to bring them back across the Atlantic. I will add those figures to these to make it complete.

The CHAIRMAN. I wish you would.

DEPARTMENT OF THE NAVY, BUREAU OF EQUIPMENT,
Washington, D. C., May 12, 1908.

HON. JAMES A. TAWNEY,
Chairman House Committee on Appropriations, Washington, D. C.

DEAR MR. TAWNEY: I am sending you the estimate you asked for yesterday of the amount necessary to carry the fleet on from San Francisco home. From an examination of the figures that I handed in yesterday you will see that I will need every cent of the amount I asked for to get me through the 1st of July.

It should be remembered that this amount is only sufficient to make ends meet, and by drawing heavily on our reserve stock and transporting coal in our own colliers from the coal depots to the points where it is needed for the balance of the fiscal year, thus incurring a double transportation and handling charge, we will be able to accomplish this. This is not the most economical way, and if we had asked for \$200,000 or \$300,000 more it would have been really cheaper than the present procedure, but I did not wish to ask for a cent more than I actually could scrape along with.

I hope I made plain to you yesterday one point, and that was that we can't get any money from the Treasury, as the accounting officers will not honor any bills in excess of the appropriation. We may have to incur obligations beyond that amount, but they can not pay it out until the appropriation has been made to cover the obligation. This is so well known to you, however, that it seems unnecessary for me to add it.

Believe me, very respectfully,

WM. S. COWLES.

DEPARTMENT OF THE NAVY, BUREAU OF EQUIPMENT,
Washington, D. C., May 12, 1908.

SIR: 1. In compliance with your request of yesterday, I have the honor to state that, based on the itinerary of the Atlantic Fleet as at present arranged, \$2,039,000 is considered a fair estimate of the cost of coal necessary to move the battle-ship fleet from San Francisco to Hampton Roads via Honolulu, Manila, and the Suez Canal.

Very respectfully,

WM. S. COWLES,
Chief of Bureau of Equipment.

CHAIRMAN COMMITTEE ON APPROPRIATIONS,
House of Representatives, Washington, D. C.

Admiral COWLES. I am very sorry I have to confess that I had to spend money that I did not have.

The CHAIRMAN. Can you tell the committee how you could get money to pay these advances without an appropriation?

Admiral COWLES. Well, you see—

The CHAIRMAN (interrupting). Did you get it under the operation of the statute in regard to the general account of advances?

Admiral COWLES. You see, we always have some money on hand. Until they say in the Treasury "You have not any more money" we would go on drawing, and if we are a few hundred thousand dollars behind, why, the bills have not all come in, and in consequence there is some money left. When the money gives out at the Treasury they would quit, and then we would have to hold the bills up.

The CHAIRMAN. As a matter of fact, you have not paid beyond the appropriation, so far as you know?

Admiral COWLES. No, sir.

Mr. KEIFER. The bills have been contracted, but you may pay some of the later ones before the earlier ones?

Admiral COWLES. Yes, sir; I think the Treasury will not pay out when they have not any money.

The CHAIRMAN. The query that occurred to my mind at once when you had exceeded your appropriation was that I could not see how the Treasury would pay anything unless it had been authorized?

Admiral COWLES. They do not. They are just contract obligations.

The CHAIRMAN. You mean that you have obligated the Government beyond the amount of your appropriation, but the payment has not actually been made?

Admiral COWLES. No, sir. We could not get the money. They would not pay it.

The CHAIRMAN. Could you not get coal at Puget Sound and save the cost of transportation?

Admiral COWLES. No, sir; you can not get any coal out there that is fit to burn.

The CHAIRMAN. Can not you get British Columbia coal?

Admiral COWLES. It would cost just about the same price.

The CHAIRMAN. You would save the cost of transportation.

Admiral COWLES. To get it down from British Columbia and deliver it they would want \$7 or \$8 and it would be poor coal and it would take about 2 tons to do the work of 1 ton of our own coal.

The CHAIRMAN. I have always understood that British Columbia coal was just as good as ours.

Admiral COWLES. It is just as good as our California coal, but it is not as good as our eastern coal. If it were just as good we would be burning it. The same is true about New Zealand coal, Australian coal, ordinary Japanese coal, and Chinese coal. They are not good coals to burn. We do not want to put anything in the ships' boilers that will deteriorate them, and consequently we have stuck to American coal and it has saved us a great deal of trouble.

The CHAIRMAN. The coal on Batan Island, in the Philippines, has not proved to be a success?

Admiral COWLES. No, sir.

Mr. KEIFER. Are they mining it?

Admiral COWLES. Not in any quantity.

Mr. KEIFER. There was some work done there?

Admiral COWLES. The Army say they get good coal out there, but if there was good coal out there we would be using it; that would be American coal.

CONTINGENT EXPENSES, BUREAU OF SUPPLIES AND ACCOUNTS.

STATEMENT OF GENERAL E. B. ROGERS, CHIEF BUREAU OF SUPPLIES AND ACCOUNTS.

The CHAIRMAN. At the bottom of page 56 is the item, "For expressage, fuel, books and blanks, stationery, advertising, furniture and interior fittings for general storehouses and pay offices in navy-yards," etc., and \$10,000 is your estimated deficiency for this year?

General ROGERS. Yes, sir.

The CHAIRMAN. Your appropriation was \$175,000?

General ROGERS. Yes, sir.

The CHAIRMAN. How much of a balance have you?

General ROGERS. On the 27th of April there was a balance of \$5,932.

The CHAIRMAN. What is the monthly expenditure under this item?

General ROGERS. About \$24,000. The crux of the whole matter is in the fourth item of inclosure A—"Books, blanks (Public Printer)." You will see that for the three-quarters of 1907 we paid the Public Printer \$18,664.92 and for the three-quarters of the present fiscal year \$49,201.32; and we would have been able to pull through this year even with that great difference if it had not been for the movement of the Pacific fleet, which compels us to pay out of the appropriation for this fiscal year much that we would have paid under next year's appropriation. All of the cost of the shipments, except the freight, the preparation of shipments and everything of that kind, is covered by this appropriation, and we will probably have to ship not less than 5,000 or 6,000 tons between now and the middle of next month.

The CHAIRMAN. What is the character of that freight?

General ROGERS. All the freight that the Navy Bureau of Supplies and Accounts handles, all the entire stores for the service. No other appropriation pays anything.

The CHAIRMAN. Could you not get the supplies on the Pacific coast and save the cost of shipment?

General ROGERS. At the New York Navy-Yard, for instance, we have a coffee mill and we buy the coffee green and furnish coffee for the entire Navy. We have 225,000 pounds which, if the fleet was on this coast, we would not have to roast and ship before the 1st of July. That is one thing. Now we have to roast it and ship it. That coffee is furnished at cost, a small fraction over 11 cents a pound. We have found after many years' experience that it is more acceptable to the enlisted men and more economical than any coffee we can possibly buy at any other place.

The CHAIRMAN. Will that supply coffee sufficient to last them around the world?

General ROGERS. Very nearly. That is the estimate. There is no place in the world where we can buy coffee as cheap. We always furnish every fleet with coffee from here.

The CHAIRMAN. How would it do to ship some of this coffee the other way, to meet the fleet on the way back?

General ROGERS. It could be done, but the shipping across the continent would not cost more than \$10 a ton, whereas across the sea storage charges would have to be paid. That is only one item. I do not mean to say that it is going to cost \$10,000. This appropriation applies to all the items of the Bureau of Supplies and Accounts outside of freight. You can see by the list what is paid out. The whole crux of the matter is in the printing, which has cost more than \$30,000 more than last year. We have done the best we could with the estimate. We estimated that it would cost \$34,000, but instead it has cost \$50,000.

The CHAIRMAN. How much of that increase is due to the movement of the fleet?

General ROGERS. Not a very large amount; I can not tell you accurately. The deficiency is due entirely to the Public Printing

Office absolutely, and if we had paid nothing more than we had estimated, \$34,000, then we would not have asked for a dime. As it is, we are \$24,000 short, and we ask for \$10,000 of that.

NAVY DEPARTMENT,
BUREAU OF SUPPLIES AND ACCOUNTS,
Washington, D. C., May 11, 1908.

MY DEAR MR. TAWNEY: I fear, in view of the question you asked me this morning as to how much of the deficiency of \$10,000, which I requested under "Contingent, Supplies and Accounts," is due to the movement of the fleet, that I did not make myself clear.

This deficiency is not due to the cruise of the fleet in any sense, but to the fact that the fleet is moving when it does and that it will be necessary to provide a large quantity of stores, much of the cost of which will come out of "Contingent, Supplies and Accounts," for consumption during the next fiscal year. The deficiency is due, as I tried to point out, as is shown in the fourth item in Statement A, to the charges made by the Public Printer for printing. This Bureau paid the Public Printer \$24,000 (about) last year. I estimated that we would have to pay him \$34,000 this year, instead of which his bills in nine months of this year, as shown in column 1908, have amounted to over \$49,000, and there is still about \$1,000 more to be added to that. Had it not been for this we would have had sufficient funds to carry us through, and had the fleet not been moving I would have been willing to risk coming out all right in spite of this great charge; but, as it is, it is vital that we should have this sum.

The fault is in no sense mine, as the bills of the Public Printing Office had to be met.

Yours, very truly,

E. B. ROGERS,
Paymaster-General, U. S. Navy.

HON. JAMES A. TAWNEY,
Chairman Committee on Appropriations, House of Representatives.

MARINE CORPS.

STATEMENTS OF COLONEL FRANK L. DENNY, QUARTERMASTER, AND LIEUTENANT-COLONEL GEORGE RICHARDS, ASSISTANT PAYMASTER.

PAY OF THE MARINE CORPS.

The CHAIRMAN. The first item is:

For amount of deficiency in appropriation for pay of the Marine Corps, reported by the Auditor for the Navy Department, under date of January twenty-second, nineteen hundred and eight, for the fiscal year nineteen hundred and five, one hundred and thirty-three thousand four hundred and thirteen dollars and eighty-eight cents.

Colonel RICHARDS. These were estimates which were prepared prior to the passage of the act relative to the creation of deficiencies, and in June, 1906, the Treasury Department balanced their books for that year and determined then that the deficiency in that year was \$94,000. Since then they made some further calculations, after all the accounts for the Marine Corps had come into the Treasury and been settled, and arrived at this amount as being an additional estimate which was created that year. After the act relative to the creation of deficiencies was passed the estimates were figured in a different way, and we now receive in advance of the year from the regular annual appropriations sufficient money to disburse during the year without any deficiency occurring at the end of it; but before that time for a period of about eleven years the pay of the Marine Corps was appropriated for practically in two acts, one the naval appropriation act and the other the general deficiency bill. This is the last one of that series.

The CHAIRMAN. This is a deficiency of 1905?

Colonel RICHARDS. Yes, sir. That ends all the deficiencies for the Marine Corps under "Pay of the Marine Corps."

ACCOUNTS OF LIEUTENANT COLONEL GEORGE RICHARDS.

The CHAIRMAN. The next item is:

Credit in accounts of Lieutenant-Colonel George Richards, assistant paymaster, United States Marine Corps: The Auditor for the Navy Department is authorized and directed to credit in the accounts of Lieutenant-Colonel George Richards, assistant paymaster, United States Marine Corps, for the second quarter, nineteen hundred and five, under the appropriation "Pay Marine Corps, nineteen hundred and five," the amount disallowed pursuant to decision by the Comptroller of the Treasury, August seventh, nineteen hundred and five, as excess travel allowance on discharge of certain enlisted men, aggregating fifty-eight dollars and thirty-two cents.

Colonel RICHARDS. This is an item which is in my own account and which was disallowed by the Treasury on a technicality. At that time I was on duty in San Francisco and was settling a great many accounts, including particularly the accounts of soldiers discharged from the service. These men were paid mileage at the rate of 4 cents per mile from the place of their discharge to the place of their enlistment. This mileage was based on the shortest usually traveled route, and the shortest route was determined upon information coming from Washington which was published in "distance circulars," as they were called. At my request in writing, my name was placed on the mailing list and I received those circulars from time to time, but in this particular case the circular was received by me two weeks after this distance went into effect. As you know, the railroads are shortening their distances all the time and they had shortened this line about fifty-odd miles. I had gone ahead and paid for two weeks under the old rate in absolute ignorance that a new rate was in effect. When I represented the matter to the Treasury Department they held that the law required me to pay by the shortest usually traveled route. As a matter of fact, the shortest usually traveled route upon that day was such a route as laid down in the circular, a fact that I knew nothing about. So, in consequence, they had no discretion, they must disallow it.

The CHAIRMAN. Did you pay the mileage according to the shortest usually traveled route as shown by the circular then existing, the preceding one?

Colonel RICHARDS. Yes, sir. The minute I received the fresh one the rates were reduced at once, but for that period of two weeks I paid under the old rate. I paid a number of officers' mileage. Of course that could be recovered from the officers, but these were items paid to discharged soldiers. Some of those men reenlisted and I recovered from those men who reenlisted, but there remained about 18 who were discharged and were never reenlisted and the payments made to them aggregate these figures.

The CHAIRMAN. And it stands against you in the accounts of the Treasury?

Colonel RICHARDS. Yes, sir. I have represented the matter to all the people in the Navy Department and they hold that I was entirely without fault and I believe the Treasury Department holds the same way, but they say it is not their business to consider anything except what the law allows, and so I come and ask you to make this allowance.

PROVISIONS.

The CHAIRMAN. The next item is, "For provisions, Marine Corps; including items specified under this head in naval appropriation act for the fiscal year 1908, \$125,000?"

Colonel DENNY. That deficiency was brought about by the increased cost of provisions throughout the entire country. There was a very material increase from the time we submitted our estimates for provisions—that is, October 4, 1906, and the time that we opened bids and made awards for contracts in the following June. In other words, the increase was 20 per cent. To illustrate, the average cost of rations last year was \$21.29 per hundred. This year the cost, after the widest possible competition prescribed by law, was \$24.66 per hundred. Document No. 880, which goes with the general deficiency draft, contains a table of the ration cost at the several posts of the corps last year and this year, and from that it will be seen that the average increase throughout the country was 20 per cent.

The CHAIRMAN. Have you observed whether or not that increase has continued during the last three months?

Colonel DENNY. It is greater now by over 20 per cent than then in relation to meats and bacon. Vegetables have not increased appreciably.

I am simply taking the market reports reported in the New York papers. Bacon has increased, I think, nearly 30 per cent in the last ninety days and fresh meats 10 per cent.

FUEL.

The CHAIRMAN. The next item is: "For fuel, Marine Corps, \$25,000." With reference to this item it is stated in House Document No. 880, page 48:

Under this head \$25,000 will be required to meet the needs of the service to June 30, 1908. The average monthly expenses under this head for the summer months are between \$6,000 and \$7,000, and it is thought that the amount herein stated will be sufficient to meet all requirements for the balance of the current year. Since the estimates for the current fiscal year were submitted Congress, in an act approved March 2, 1907, making appropriations for the Army, increased the allowance of rooms for officers and provided heat and light actually necessary for the authorized allowance of quarters for officers and enlisted men, at the expense of the Government, which expense could not have been taken into consideration in the preparation of the estimates in question. It should be understood that under the provisions of law (sec. 1612, Rev. Stat.) officers and enlisted men of the Marine Corps are entitled to the same pay and allowances as officers and enlisted men of like grades in the infantry of the Army. Inclosed herewith is a copy of General Orders, No. 61, dated March 22, 1907, War Department, which shows the number of rooms to which officers of each rank are entitled, as well as the regulations governing the issue of fuel and light under existing law. In a few words, the deficiency is one which arises in pursuance of existing law.

Colonel DENNY. That increase is due primarily to the increase in the cost of fuel at the different posts. Practically the same explanation that I gave in connection with provisions applies to fuel. In the same public document that I referred to there appears a table showing the cost of fuel per ton at the several posts of the corps.

The CHAIRMAN. Can you briefly state what the increase has been in the last year over the previous year?

Colonel DENNY. I am sorry to say that I have not an average statement. If I may be permitted to put this table in the hearings, it shows at a glance what it costs at the different posts:

[Per ton.]

	1907.			1908.		
	Furnace.	Egg.	Stove.	Furnace.	Egg.	Stove.
Portsmouth, N. H.	\$7.20		\$7.20	\$7.00		\$8.50
Boston, Mass.	5.65		6.20	5.65		6.20
Newport, R. I.	6.50	\$6.75	7.25	6.89	\$6.89	7.39
New York, N. Y.		5.95	5.95		6.10	6.10
Philadelphia, Pa.		6.09	6.09		6.14	6.14
Annapolis, Md.	4.00	6.18	6.30	5.90	6.25	6.35
Washington, D. C.	6.22	6.62	6.90	6.90	7.20	7.40
Norfolk, Va.	6.47	7.20	7.20	7.20	8.00	8.00
Charleston, S. C.	8.25	8.25	8.25	8.90	8.90	8.90
Port Royal, S. C.	9.75	9.75	9.75	9.85	9.70	9.70
Sitka, Alaska.		a 13.25			a 17.50	
Bremerton, Wash.		a 6.40			a 9.00	
Mare Island, Cal.		a 12.50	16.00		a 17.00	19.00

a Bituminous.

Then another reason for that deficiency is that under the act approved March 2, 1907, the quantity of fuel allowed to officers and enlisted men was increased quite a little, so that this deficiency is brought about by the increased cost and also the increased allowance allowed by Congress in the army appropriation act approved on the date mentioned. You may remember that act. In other words, I say: "In a few words, the deficiency is one which arises in pursuance of existing law," despite anything we have to do with it.

May I say there, Mr. Chairman, that I have included a decision of the Comptroller to the effect that the army law increasing the allowance of fuel and light applies to the Marine Corps, and also in that connection refer to the fact that under existing law it is not unlawful to create a deficiency for provisions and fuel and some other items.

HIRE OF QUARTERS.

The CHAIRMAN. The next item is, "For hire of quarters, Marine Corps," and the estimated deficiency is \$1,793.13.

Colonel DENNY. The explanation of that is that under the same army appropriation act approved March 2, 1907, the number of quarters to which an officer is entitled was increased. That is the cause for this deficiency.

CONTINGENT EXPENSES.

The CHAIRMAN. The next item is an estimated deficiency of \$12,000 for the fiscal year 1908 for "contingent expenses." You already have had a deficiency of \$50,000 under that head this year?

Colonel DENNY. Yes, sir. The situation is this, Mr. Chairman: That deficiency can be avoided if it is deemed advisable not to send to the Pacific coast for the use of the marines in the battle-ship fleet supplies that they are very much in need of and which they have made requisition for and which they have repeatedly telegraphed for. These supplies are in boxes and barrels at the Philadelphia depot. We have wanted to send them out for the last month, but if we did it

would create a deficiency in the contingent fund, and we can not lawfully create a deficiency in that appropriation. They are held there awaiting a deficiency from Congress or until the appropriation for the next year is available.

The CHAIRMAN. What is the character of the supplies?

Colonel DENNY. All kinds of clothing. For instance, we have recently adopted a light-weight underwear which the men wear generally in the Tropics and in summer at home. There is a great quantity of that there. These men have nothing but the heavy woolen underwear which, at this season of the year there and in the Tropics and in the East, if they are going to sea and through the Suez Canal, they need very badly.

The CHAIRMAN. When do you expect the fleet to sail from San Francisco?

Colonel DENNY. I do not know.

The CHAIRMAN. How long will it take you to get the supplies out there?

Colonel DENNY. Ninety days by freight, thirty days by fast freight, and six days by express; but express is out of the question, because it would cost twelve or fifteen thousand dollars. We would probably send them by fast freight, that is the present idea, and, if you notice, this item is for the expense of getting those supplies to San Francisco from Philadelphia, \$5,000.

The CHAIRMAN. If this bill should not become a law until the 1st of June, you could not get them there?

Colonel DENNY. It will take thirty days by fast freight. That is, before they sail; they will not sail before the first of July. There are stores and supplies on the way now from all the departments which can not possibly reach 'Frisco before the 1st of July. They may leave San Francisco, but I mean the Pacific coast, starting east

PURCHASE OF SUPPLIES.

There is an additional item under that \$12,000 for the purchase of supplies which we have not on hand at Philadelphia, such as kitchen and mess utensils for enlisted men, field sterilizers, stable supplies, plumbing fixtures and supplies, stationery, beds and bedding, police material, fire protection, such as hose and hand grenades, carpenter and field tools, pots, boilers, etc. Those are needed for the enlisted men in the Philippines, and the idea was to get them to San Francisco and put them on board the battle ships and cruisers and save the cost of transportation from San Francisco to the Philippines.

The CHAIRMAN. Would it be possible to buy those supplies on the Pacific coast?

Colonel DENNY. I think we can buy most everything except what we call regulation things on the Pacific coast, but in a great many cases we have what we call standard utensils or standard fixtures, and we try to have them all alike so as to keep track of them and know that they are very substantial and well made. The usual things, mess and kitchen utensils, we can buy right in San Francisco; but the trouble is we are running so close to the wind with the contingent fund that if we expend money for anything except the household

expenses we will have a deficiency. This is to guard against a deficiency. We have not one now.

The CHAIRMAN. How much do you estimate for this last item?

Colonel DENNY. Five thousand dollars for freight, \$5,000 for purchase of supplies I have just mentioned, and \$1,400, perhaps, for the construction of a temporary sewer at Charleston, S. C.

SEWER, CHARLESTON, S. C.

We have a little temporary barracks there, about one hundred men and two officers. There is no sewer connection from the barracks, and the medical officer of the station reported some time ago—I have a copy of the correspondence in this public document—it was absolutely essential that the sewer should be put down immediately, more especially as the warm weather was coming and the flies were getting bad.

The CHAIRMAN. Could not that sewer be constructed out of your general appropriation in the naval bill?

Colonel DENNY. No, sir; it goes against this contingent appropriation that I spoke about, and it is only by turning down lights at 9 o'clock and shutting down the water supply—all those economies—that we are able to get along. If you will read this doctor's letter—I sent it back to him and told him that it was near the end of the fiscal year, and he returned it with an indorsement and also an indorsement from the commandant of the station, saying that the health of the command demanded that this be done immediately. I submitted it to the Secretary and he transmitted that estimate.

The CHAIRMAN. That is included in the \$12,000?

Colonel DENNY. Yes, sir.

MARINE BARRACKS, PENSACOLA, FLA.

Finally there is one small item of \$600 with which to screen the windows and doors at the Marine Barracks, navy-yard, Pensacola, Fla., where it seems they have been suffering from flies and are afraid of infection and disease. It is a very small item, but it shows how close we are sailing when I have to ask for \$600.

REPAIRS OF BARRACKS.

The CHAIRMAN. The next item is, "For repairs of barracks, Marine Corps, \$174.53?"

Colonel DENNY. Those are all items sent to us by the Auditor for the Navy Department, and they are usually for bills which have been put in subsequent to the date when the appropriation lapsed into the Treasury.

The CHAIRMAN. They were all contracted for during the year for which the appropriation was made?

Colonel DENNY. Yes, sir.

The CHAIRMAN. The bills were not presented to the Department by the persons to whom they were due before the appropriation was turned back into the Treasury?

Colonel DENNY. That is right.

The CHAIRMAN. The accounts have all been audited?

Colonel DENNY. Yes, sir. There was more than that amount of dollars unexpended in each appropriation for the years mentioned, but it was too late for us to draw against the appropriations.

MONDAY, *May 11, 1908.*

INTERIOR DEPARTMENT.

STATEMENT OF HON. JAMES R. GARFIELD, SECRETARY OF THE
INTERIOR.

EMPLOYMENT OF EXPERT ACCOUNTANTS.

The CHAIRMAN. There is an item on page 65 of the bill before you which reads:

■ For salary, traveling and other miscellaneous and emergency expenses, including a per diem in lieu of subsistence not exceeding four dollars per day, of confidential agents appointed by the Secretary of the Interior to make investigations and examinations, to be expended at his discretion and under his authority and approval, ten thousand dollars. ■

Mr. GARFIELD. That is the item that I at first thought I would not ask for. It is for the same work that I had Gunn-Richards & Co. do before. I found that I could employ those men for at least part of the work, for the examination of some of the field offices in connection with the Indian and Land services, and that I could employ those men as experts, as I did last year under the old item, with very great advantage to the administrative work of the Department. They would be skilled accountants.

The CHAIRMAN. In view of the fact that these men have completed their plan of reorganization of the Interior Department, would it not be possible to find men in the Department who were qualified to go on and work out that plan?

Mr. GARFIELD. I think there is a number of those whom I can put right at that work. In addition to that, there are some other points that I want to have men from the outside continue their work on—for example, the work in the Indian supply warehouses and in the distribution of those supplies and the method used in the handling of the Indian supplies in the field. I could, of course, take one of the men in the Indian Office and put him on that work, but we must take him away from his regular work, and I could not put a man casually at that kind of work and have him do it as well as one of these experts that I had in mind who would devote his whole time to it. It simply means that it gives me that additional fund for the employment of men in addition to the original force.

The CHAIRMAN. Could you not draft a paragraph that would more explicitly express the purpose of the appropriation?

Mr. GARFIELD. Yes, sir; I think I could.

The CHAIRMAN. It would be better for you and for us if the paragraph was redrafted to make the language express the purpose for which the money is appropriated.

Mr. GARFIELD. I will do that.

MONDAY, *May 11, 1908.*

INDIAN AFFAIRS.

SISETON AND WAHPETON BANDS OF SIOUX INDIANS, JUDGMENT IN FAVOR OF.

STATEMENT OF MR. GEORGE A. WARD, LAW CLERK, INDIAN OFFICE.

The CHAIRMAN. Do you know anything about the judgment in favor of the Sisseton and Wahpeton bands of Sioux Indians rendered in March, 1908, for \$788,866.87?

Mr. WARD. Yes, sir. That suit has been clear to the Supreme Court, and the decision of the Court of Claims has been sustained, except that the Supreme Court rendered a judgment in a lesser amount than the Court of Claims did, cutting it something like \$100,000.

Mr. KEIFER. The \$788,866.87 corresponds with the decision of the Supreme Court?

Mr. WARD. Yes, sir.

The CHAIRMAN. That is the final judgment? -

Mr. WARD. Yes, sir.

The CHAIRMAN. Out of what did this suit grow?

Mr. WARD. It was based on the massacre along about 1862. The Indians were hostile and the Government dropped the annuity payments. In 1863 new treaties were made with the Sisseton and Wahpeton Indians and it grew out of not paying them the annuities during this period. There was something like 51 or 52 annuity payments which were not paid.

The CHAIRMAN. Is that the massacre that occurred at New Ulm, Minn., in 1862?

Mr. WARD. It was up there somewhere; I do not know the exact location.

The CHAIRMAN. There was a large number that they executed at Mankato?

Mr. WARD. Yes, sir; that is the one.

The CHAIRMAN. And Congress repealed the treaties?

Mr. WARD. Yes, sir.

Mr. KEIFER. They were not abrogated by law, but by some rule.

The CHAIRMAN. Were they abrogated by act of Congress?

Mr. WARD. I think probably by action of the Government, not by act of Congress, and the suit was for two million nine hundred and some odd thousand dollars. That was the amount of the claim.

The CHAIRMAN. The claim consists of the annuities that they were entitled to from the date of the abrogation of the treaties until the making of the new treaties?

Mr. WARD. Yes, sir.

Mr. KEIFER. Were they not insisting that something was due them under the treaties that had not been paid?

Mr. WARD. They were not paid from the time of the massacre until the abrogation of the treaty, and the judgment, as I understand it, is for that period. The remainder of the claim is from the date of the abrogation of the treaties up to the time of the new treaties. The court cut that out. That is my understanding.

The CHAIRMAN. The abrogation must have been a legal abrogation?
Mr. KEIFER. To be sure. Do you remember the number of the volume in which the decision appears?

Mr. WARD. It is in one of the recent volumes. The case was just decided during this session.

The CHAIRMAN. From the date of the massacre up to the abrogation of the treaties, the judgment is for the payment of annuities during that time, but from the date of the abrogation to the making of the new treaties the Supreme Court disallowed that?

Mr. WARD. That is my recollection and understanding of it.

PURCHASING GOODS AND SUPPLIES, INDIAN SERVICE.

The CHAIRMAN. On page 70 there is the item:

To pay the expense of purchasing goods and supplies for the Indian service, advertising, and all other expenses connected therewith, and for telegraphing and telephoning, and for transportation of Indian goods and supplies for the fiscal year nineteen hundred and seven, ten thousand dollars.

That is an ascertained amount?

Mr. WARD. Yes, sir.

INDIAN OFFICE, ADDITIONAL CLERK.

The CHAIRMAN. On page 68 there is the item:

For one clerk of class three, for fiscal year nineteen hundred and nine, one thousand six hundred dollars.

As I understand, this is a man who has been transferred from the board of pension appeals. He is now working in the Indian Bureau and is engaged in the examination of all the papers that are sent to the Bureau under the act of Congress which gives half-blood Indians the right of transferring their property in fee?

Mr. WARD. To sell their property, the inherited lands act of June 27, 1902. He has a certain branch of that work. We divide the country into districts and all that comes in from a certain territory goes to one man and what comes in from another district goes to another man. That is the way it is done. He was originally in our office.

The CHAIRMAN. What is the particular transaction?

Mr. WARD. He was appointed in our office in 1901, at \$1,600. Then, in 1902 he was transferred to the pension board of appeals. When they broke up the pension board of appeals, the members of that board were detailed around to the various bureaus under the Interior Department and this gentleman, being more familiar with our work than any of the other gentlemen, was sent over to us. That is why he happens to be there now. The appropriation for his salary will expire at the close of the present fiscal year. In making up the estimates we estimated him at \$1,600, but in some way, either in transmitting it from the Department to the Treasury or from the Treasury Department to Congress, it was overlooked and we did not find it out until recently.

Mr. KEIFER. Has he been paid?

Mr. WARD. This is for the next fiscal year.

The CHAIRMAN. His pay has been provided for up to the 1st of July, 1908?

Mr. WARD. Yes, sir. This is for the next fiscal year.

The CHAIRMAN. I do not quite understand fully the character of the transaction with the Indians in the sale of these inherited lands that necessitates the employment of some one here in the Bureau to supervise the transactions?

Mr. WARD. He has charge of a certain district, but he does not supervise the entire work.

Mr. KEIFER. What does he do?

Mr. WARD. He examines the deeds, sees that the heirship is proven, and everything of that kind, abstracts the title.

The CHAIRMAN. This is under a statute which authorizes the Indians to dispose of the fee in the land that they have inherited?

Mr. WARD. The heirs of deceased Indians, section 7 of the act of May 27, 1902.

MONDAY, May 11, 1908.

PENSIONS.

STATEMENT OF MR. A. H. THOMPSON, CHIEF FINANCE DIVISION, PENSION BUREAU.

The CHAIRMAN. The first item which comes under your supervision is:

Army and Navy pensions, as follows: For invalids, widows, minor children, and dependent relatives, army nurses, and all other pensioners who are now borne on the rolls or who may hereafter be placed thereon, under the provisions of any and all acts of Congress: *Provided*, That the appropriation aforesaid for navy pensions shall be paid from the income of the navy pension fund, so far as the same shall be sufficient for that purpose: *And provided further*, That the amount expended under each of the above items shall be accounted for separately, ten million dollars.

Will you explain how this deficiency arises?

Mr. THOMPSON. It arises mainly through the adjudication of claims under the act of February 6, 1907, increasing the rates of pensions.

The CHAIRMAN. The old-age pension act?

Mr. THOMPSON. Yes, sir. We issued under that act 348,467 certificates up—

Mr. KEIFER (interrupting). Are you about through?

Mr. THOMPSON. The work is practically current. We are now dealing with claims as they come in.

The CHAIRMAN. You have issued how many certificates?

Mr. THOMPSON. Three hundred and forty-eight thousand four hundred and sixty-seven.

The CHAIRMAN. Up to when?

Mr. THOMPSON. The 1st of May.

The CHAIRMAN. Was that a greater number than you anticipated you would issue when your current appropriation was made?

Mr. THOMPSON. Very much; yes, sir. We did not expect to be able to issue more than a thousand a day, more than 240,000 in one year. Instead we practically completed the work in this fiscal year. We did not expect to do that when we made the original estimate. We anticipated that this would increase the roll about \$15,000,000, but we did not anticipate that we would be able to adjudicate all the claims during the present fiscal year.

The CHAIRMAN. Do you remember how much was allowed in your current appropriation for pensions on account of the act of February 6, 1907?

Mr. THOMPSON. We had estimated for \$137,000,000 for this fiscal year before the passage of the act of February 6, 1907. After that act was passed we sent in an estimate increasing that \$8,000,000. We thought then, perhaps, that would be sufficient to cover the entire disbursements in the cases that would be adjudicated during this year.

The CHAIRMAN. How much of this \$10,000,000 do you estimate will be paid out on account of the act of February 6, 1907?

Mr. THOMPSON. I can not give the average increase, but each case is about \$53, and we have adjudicated 348,000 cases; that makes an increase of something like \$18,000,000, if those should live to be paid for one year, but they are dying at the rate of 1,500 a month.

Mr. KEIFER. That class?

Mr. THOMPSON. Yes, sir.

Mr. KEIFER. Somebody said the pensioners were dying at the rate of about 5,000 a month.

Mr. THOMPSON. Four thousand.

Mr. KEIFER. It was stated by one of the Senators that it was 5,000. The Commissioner told me some time ago that it was 4,000.

The CHAIRMAN. How much do you estimate will be required during the remainder of this fiscal year to meet the claims on account of the act increasing the pensions to widows?

Mr. THOMPSON. About \$500,000 during the remainder of the fiscal year. That increase is automatic; we commenced paying them immediately.

Mr. KEIFER. You are paying them now?

Mr. THOMPSON. Yes, sir. For May there is only half a month—\$70,000 at \$2; that is \$140,000. It will not be paid again until August. That does not come out again this year. The agent who pays in June will pay for one and a half months, and that will be \$420,000 in June for the widows.

MONDAY, May 11, 1908.

DEPARTMENT OF COMMERCE AND LABOR.

STATEMENTS OF MR. WILLIAM L. SOLEAU, DISBURSING CLERK, AND MR. F. P. SARGENT, COMMISSIONER-GENERAL OF IMMIGRATION.

The CHAIRMAN. The first item is:

The accounting officers of the Treasury Department are hereby authorized and directed to credit in the accounts of William L. Soleau, disbursing clerk, Department of Commerce and Labor, the sum of four dollars and seventy-two cents, disallowed by the Auditor for the State and other Departments, from his accounts for the quarter ended September thirtieth, nineteen hundred and six.

Has this been estimated for before?

Mr. SOLEAU. No, sir. It does not need an appropriation. The sum was paid from the contingent expenses of the Bureau of Standards. On the 1st of July that very year there was a new set of contracts made. This occurred between the publication of the contracts for

the new year and was bought at the old contract schedule by the Chief of the Bureau of Standards at the old rate which turned out to be 1 cent a pound dearer than the new contract or 472 pounds of plumbing fittings, making a difference of \$4.72. When the voucher for payment reached me I raised the question on the item, but at that time the supplies had been used and I felt that there was nothing left to do but to pay the bill as it was rendered, especially when Mr. Somerville refused to do anything in the premises. He claimed that he had an equity in the claim. He furnished the goods in good faith; the Bureau of Standards bought them in good faith, because the new schedules were not published until long in August of that year. What I would like to have the committee do is to justify the passage of that \$4.72. It does not carry an appropriation.

The CHAIRMAN. It stands on the books as a charge against you?

Mr. SOLEAU. Yes, sir; personally, and unless your committee relieves that \$4.72 I will have to go into my pocket and pay it. I would like to keep a clean sheet. I do not want to lose the money, especially when the Government has received full value for it.

ELLIS ISLAND, NEW YORK, CONTAGIOUS DISEASE HOSPITAL.

The CHAIRMAN. The next item is:

For the installation of mechanical equipments and incidental construction work in the buildings of the contagious disease hospital group at Ellis Island, New York; and for leveling, filling, and grading approaches to these buildings, and constructing side-walks, one hundred and fifteen thousand dollars, which shall be paid from the permanent appropriation for "Expenses of regulating immigration," one hundred and fifteen thousand dollars.

Was any part of this equipment provided for in any of the appropriations that have heretofore been made at this session?

Mr. SARGENT. Not the equipment as set forth here.

The CHAIRMAN. How do you arrive at this estimate?

Mr. SARGENT. On the statement made by the engineer of the Treasury Department.

The CHAIRMAN. Will you need it during this fiscal year?

Mr. SARGENT. Yes, sir; we need it right away, because the buildings are nearly completed, and of course we can not expect to put people in there after the bad contagious diseases get there. That is why I bring it to your attention now—because the buildings are so far advanced that we will be able to get through by the 1st of August if we can have the means to finish up.

The CHAIRMAN. When do you expect to occupy the buildings?

Mr. SARGENT. By the 1st of August.

The CHAIRMAN. What is included in this equipment?

Mr. SARGENT. The generators, moving the boilers from the present power house to the power house of the group. It is estimated that will cost about \$79,000, transferring the boilers and equipment, and then to finish the bath and toilet rooms in the remaining contagious disease hospital buildings, about \$10,000, and then laying the walks, laying out the grounds, and fixing up the surroundings properly, \$10,000, grading the ground, putting in the lawns, fixing them up properly, and laying the concrete sidewalks. That is according to the estimate made by the supervising engineer.

The CHAIRMAN. Has none of the equipment of these buildings been provided for heretofore?

Mr. SARGENT. No, sir; because we have not been ready to go ahead.

The CHAIRMAN. I understood you to say that you wanted to complete a number of bathrooms?

Mr. SARGENT. To complete the buildings. Some of the plumbing has been done, of course, a great deal of the plumbing has been completed. You know you gave us money for additional buildings and, of course, in that provision there was not a sufficient amount to do this mechanical work. The first appropriation was made in such a way that we used some of it for putting in plumbing, what might be termed the mechanical equipment in the laundry and things of that kind, but we did not have enough. This is an estimate to complete every detail.

COMPAGNIE GENERALE TRANSATLANTIQUE.

The CHAIRMAN. On page 75 there is the item:

For refund to the Compagnie Generale Transatlantique of an amount erroneously collected from said company for hospital treatment of the aliens Ofana and Sarquis Persigian, from January thirty-first, nineteen hundred and seven, to June thirtieth, nineteen hundred and seven, inclusive, to be paid from the appropriation "Expenses of regulating immigration," two hundred and seventy-three dollars.

Can you state how that arises?

Mr. SARGENT. The mother came here with her two children. The two children were afflicted with trachoma and it was necessary that they should be put in the hospital for treatment. The mother was landed to her husband, who was in this country. It was afterwards decided that we were required to land the children to the parents. In the meantime this bill had been incurred and had been paid by the steamship company, which, of course, was an erroneous account against them, as we could not have charged the steamship company under the law, and therefore we are asking for authority to refund to the steamship company \$273, the expense of the two children while they were detained in the hospital at Ellis Island.

The CHAIRMAN. They were finally admitted?

Mr. SARGENT. Yes, sir. Under a decision of the Comptroller of the Treasury the hospital treatment is payable by the United States. Therefore, we ask for authority to refund it to the company that paid it.

Mr. KEIFER. In other words, to pay it?

Mr. SARGENT. Yes, sir.

CONTINGENT EXPENSES, DEPARTMENT OF COMMERCE AND LABOR.

The CHAIRMAN. The next item is an estimate of \$10,000 under the head of "Contingent expenses."

Mr. SOLEAU. The Department made an estimate of \$60,000 for contingent expenses for the Department for the next fiscal year. This item is intended to refer to that.

The CHAIRMAN. Your appropriation this year is \$60,000, just exactly the amount of your estimate?

Mr. SOLEAU. Yes, sir; but this item was intended to go in. This did not go through my office. I find this document, No. 814. It was

the purpose to get this item in for the next year, because the regular Committee on Appropriations cut out the \$10,000, reducing the appropriation to \$50,000 for next year.

The CHAIRMAN. This is an appropriation for 1909?

Mr. SOLEAU. Yes, sir. It is not a deficiency. There was an attempt made to get by that \$10,000. I inquired about that this morning. The Secretary said they were advised to present it in that way, which I think is not the best way, because this year we are getting our entire sum of \$60,000. Two fresh obligations have been placed on the Department. The naturalization business will make drafts on the Secretary's appropriation for contingent expenses, and the Labor Bureau, you having provided for this child-labor investigation. It brings contingencies which would not have occurred if Congress had not authorized that work.

The CHAIRMAN. What contingencies are there in connection with the naturalization bureau that can not be paid out of that fund?

Mr. SOLEAU. There are no contingent expenses for that bureau. It has been reduced to a salary basis absolutely.

The CHAIRMAN. That is not true with regard to the child-labor investigation?

Mr. SOLEAU. That law is construed to refer to the investigation itself. There will be additional office expenses here and there, and there has been a long line of increase in cost of goods—for example, the transportation of the fur seal agents, etc. There has been a slight increase in transportation. In some of the States through which these men will pass there is a 2-cent rate, but if you make it interstate you can not do that, and some of the lines have been inclined to raise the rate a little to get even, and as the work progresses the contingencies are bound to increase; you can not stop it, and the prices of commodities have increased. If you compare the appropriations for contingencies in the Secretary's office, you will find that from year to year we have put more and more on that appropriation than ever before, and as soon as we filled it up you cut us off \$10,000. We put the travel in the contingent after raising the fund. There was \$10,000 for the appropriation, but just at that time we had cut it down voluntarily and rearranged it so as to save \$10,000 a year or two from now. This year we are down to a basis of about \$5,000. I think that that will come up as a deficiency next year.

The CHAIRMAN. But can you make a deficiency?

Mr. SOLEAU. We certainly can not go without stopping certain work unless we get that \$10,000.

The CHAIRMAN. I think that that is a strange construction of the law.

Mr. SOLEAU. That in itself has not been much, but a little here and there counts.

The CHAIRMAN. You have regular offices all over the country?

Mr. SOLEAU. But suppose they have desk room in the city when they are here writing up their reports. They will then have to have additional pens and writing paper—it has not been much, and I do not want you to understand that that particular item has cost very much, but when you take them all together, and the Department has, from year to year, been taking off appropriations, reducing recommendations to you, and putting the expense in here without asking an increase in the appropriation, then we are simply tied up.

BAIRD, CAL., FISH HATCHERY.

The CHAIRMAN. The next item is page 78, Bureau of Fisheries, for construction and repair of buildings at Baird, Cal., and auxiliary stations, and the improvement of water supply, \$850.

Mr. SOLEAU. On October 17, 1906, a voucher reached my office through the Bureau of Fisheries, with three approvals, to that service for \$1,850 for 192 redwood troughs for use at the Battle Creek station, which is the substation of Baird.

Mr. KEIFER. Battle Creek, Mich.?

Mr. SOLEAU. No; Battle Creek, Cal. The bill came in, and it passed my office. It appeared from all the facts that it was properly payable from the appropriation for miscellaneous expenses, Bureau of Fisheries, 1907, and I so paid it.

I took up the matter and I said that the accounting had gone so far that I could not do anything with it then. After the accounts went to the Treasury Department, on that recommendation the Secretary of Commerce and Labor asked the Auditor for the State and other Departments to make the transfer, and the money was transferred from the Baird station appropriation back into the appropriation for miscellaneous expenses in the Bureau of Fisheries. But the Bureau of Fisheries failed to note the request on their books, and incurred additional liabilities against the special appropriation for the Baird station for the full sum of the balance, and \$850 besides. Therefore it is necessary to ask in this deficiency estimate an appropriation of \$850 on account of that.

Mr. KEIFER. The bill was payable somewhere?

Mr. SOLEAU. Yes; payable now absolutely from Baird station. There has always been some doubt whether the \$1,850 is not properly payable from the miscellaneous appropriations, but after getting all the facts I could on the subject I think probably an error had been made in first putting it against the miscellaneous expenses, Bureau of Fisheries, and recommending that the transfer be made.

The CHAIRMAN. That is all.

MONDAY, May 11, 1908.

DEPARTMENT OF JUSTICE.

STATEMENT OF HON. CHARLES J. BONAPARTE, ATTORNEY-GENERAL, ACCOMPANIED BY MR. HENRY C. GAUSS, CLERK.

MISCELLANEOUS EXPENSES.

The CHAIRMAN. The first item is:

For miscellaneous expenditures, including telegraphing, fuel, lights, foreign postage, labor, repairs of buildings, care of grounds, books of reference, periodicals, typewriters and exchange of same, and other necessities directly ordered by the Attorney-General, \$6,000.

Mr. BONAPARTE. There is a memorandum given here, Mr. Chairman, of the increase in the expenses which aggregates \$4,022 up to the present time. I have also an explanation here, if it is thought necessary to go into all those details.

The CHAIRMAN. What was the occasion for the increased number of telegrams?

Mr. BONAPARTE. In regard to the increase in the cost of telegraph service, the number of telegrams sent at the present time is about one-third more than the number sent this time a year ago. There have been a great many more of these transactions of a special character under the particular direction of the Department.

Mr. KEIFER. Growing out of the pure food law?

Mr. BONAPARTE. A little, and about the land laws, and about all sorts of things.

Mr. KEIFER. The interstate commerce law?

Mr. BONAPARTE. Yes, sir. The increase seems to be a steady one all the time.

The CHAIRMAN. Is your Department using the telegraph service generally where correspondence would answer?

Mr. BONAPARTE. No, sir; I think not. At least, I have not noticed any disposition to use it extravagantly. There was a very long telegram sent to us by one of the judges out west a little while ago which was charged to the Government.

The CHAIRMAN. It was sent "collect?"

Mr. BONAPARTE. Yes, sir. It was quite as long as an ordinary letter, 475 words, but I can not say that I have noticed anything extravagant in the use, as far as the matter has come under my observation.

The CHAIRMAN. There is an increase for electric current?

Mr. BONAPARTE. That is largely due to the additional building at No. 6 Jackson Square.

The CHAIRMAN. It is not due to an increase of price?

Mr. BONAPARTE. I think not.

The CHAIRMAN. What are you paying for the current?

Mr. BONAPARTE. I think it is the same price.

Mr. GAUSS. I think it is 6 cents. I am not sure. We will furnish the committee with that information. It is the same price; there is no increase.

The CHAIRMAN. There is no increase in price, but an increase in the amount of current you are using, having taken over new buildings not included in the estimate for the current year?

Mr. BONAPARTE. Yes, sir. The increase is \$661 over last year.

The CHAIRMAN. That is all on account of increased current?

Mr. BONAPARTE. Yes, sir; apparently so. There was a slight increase in the cost of fuel, about 22 cents a ton. The average price of coal last year was \$5.88 a ton and this year it is \$6.10.

PENITENTIARY, M'NEIL ISLAND, WASHINGTON.

The CHAIRMAN. The next item is "For the purchase and installation of a heating plant at the United States Penitentiary, McNeil Island, Washington, \$6,000."

Mr. BONAPARTE. It seems that the architects in their estimate for the addition provided for a larger space really than was required, for less money than we had supposed it would cost, but in a letter dated April 10 the architects informed us that they did not take into consideration the question of a heating plant in the preparation of their plans and that it was their understanding that the appropriation was to be used entirely in connection with the construction of the

building, exclusive of heating. They estimate the cost of the heating plant at \$6,000.

The CHAIRMAN. Do you remember the language under which the authorization was made?

Mr. BONAPARTE. That was some little time before my day.

The CHAIRMAN. Did that include the heating plant?

Mr. BONAPARTE. I do not remember. I could send you that information.

The CHAIRMAN. In view of their explanation I thought it might be well to inquire whether they were making their explanation in good faith, and if the language expressly provided that the appropriation and authorization should include a heating plant, why, they could not very well overlook that.

Mr. BONAPARTE. The aggregate of the appropriations was \$40,000. The work is quite well advanced. The building proper has been erected and there now remains the work of constructing the cells, which will be of concrete. There was \$14,239.70 left out of the appropriation of \$40,000, and the estimates submitted by the architects show that the cell work will cost \$13,437, which, we suppose, would allow about \$800 to the good, although the size of the building has been somewhat increased, but it turns out that they used the money for the building without any heating plant.

The CHAIRMAN. How much fees did you pay the architects for this blunder?

Mr. BONAPARTE. I presume 5 per cent on the work. That is what they generally get. That would be \$2,000.

OPINIONS OF ATTORNEY-GENERAL.

The next item is an appropriation of \$500 to enable you to make provision for the editing and printing of volume 26 of the Opinions of the Attorney-General. That is the usual item?

Mr. BONAPARTE. Yes, sir. It occurs once every two years, I think. The volume is just about finished, and therefore it will come in this year.

Mr. KEIFER. It is ready to be printed?

Mr. BONAPARTE. Yes, sir.

HEATING PLANT FOR DEPARTMENT OF JUSTICE BUILDINGS.

The CHAIRMAN. The next item is: "For the purchase and installation of a heating plant for buildings rented and occupied by the Department of Justice on K street northwest, Washington, District of Columbia, and for necessary alterations to said buildings, \$5,000."

Mr. BONAPARTE. In regard to that matter, Mr. Chairman, that is a heating plant for our buildings. Of course it is a very unfortunate thing that the Government should have to spend money on buildings which it does not own, but there is no prospect of the Department being out of those buildings for some time. I went over the place recently and made an inspection with a view to a redistribution of the clerical force, if possible. It is necessary to have increased heating there in order to be able to use all the space, and we are getting more and more crowded all the time. I suggested to the Speaker the other day that the only thing I saw to be done was to condemn his house, which is next door.

Mr. KEIFER. You think this appropriation is essential?

Mr. BONAPARTE. I think that it is undoubtedly necessary. There are several of these rooms that can not be satisfactorily heated except by electrical heaters. If you use coal-oil or gas stoves in them it is very bad for the health of the clerks. The electrical heaters seem to be the only way that you can properly heat the old hall rooms.

Mr. KEIFER. Do you utilize those spaces for clerks?

Mr. BONAPARTE. Yes, sir; we are obliged to. The electrical heaters answer the purpose, but they are, of course, an expensive method of heating and they do not give a great deal of heat for the surface. I have here a large number of details.

Mr. KEIFER. I think we do not want to go into them.

The CHAIRMAN. I want to ask one other question about the heating plant. Is that the building that your offices are in?

Mr. BONAPARTE. There are three buildings that have been turned into one by cutting doors through.

The CHAIRMAN. Have the owners of the buildings declined to put in the heating plant?

Mr. BONAPARTE. Well, Mr. Gauss tells me that they offered to put it in on condition of charging a higher rent. I think it would probably pay the Government better to put in the heating plant if it is going to stay there for several years, of which I think there is no doubt.

The CHAIRMAN. The heating plant would become a fixture and become the property of the owners?

Mr. BONAPARTE. Part of it would. The electrical heaters would not. We put in a heating plant at an expense of \$700 at No. 6 Jackson square, which we rent, but the lease provides that the plant remains the property of the Government.

Mr. KEIFER. Could you not do that in this instance?

Mr. BONAPARTE. We can and will; that is the idea.

The CHAIRMAN. What rent are we paying for the buildings you propose to put this heating plant in?

Mr. BONAPARTE. The rent of the Baltic Building, as they call it, is \$10,000. The rent of the Lowery Building is \$6,500. That is the building in which my office is. The Baltic Building is the old Small Hotel. The rent for 1439 K street is \$2,400. The rent for the three amounts to \$18,900. Then, we have nine rooms in the Bond Building at \$1,800; No. 8 Lafayette square, \$2,100; No. 6 Lafayette square, \$1,800, and 1411 H street, for the Spanish Treaty Claims Commission, \$3,600. That is, of course, in addition to the Court of Claims building.

The CHAIRMAN. This heating plant will not touch the building occupied by the Spanish Treaty Claims Commission?

Mr. BONAPARTE. No, sir.

The CHAIRMAN. I just wanted to get at the rent we are paying for the buildings which will be affected by this heating plant.

Mr. BONAPARTE. Eighteen thousand nine hundred dollars. We have more or less little squabbling with the owners of the property about repairs from time to time. They are like most landlords, they do not care particularly to do it when they are not obliged to.

The CHAIRMAN. Are those three buildings owned by different parties?

Mr. BONAPARTE. I think they are.

The CHAIRMAN. This heating plant is intended to supply the heat for all the buildings?

Mr. BONAPARTE. Yes, sir. As I mentioned while you were out of the room, Mr. Chairman, I went over the place a little while ago, and I found that it would be necessary to make arrangements to heat some other space by reason of the fact that we have to utilize so much of the space that was not originally intended for rooms.

The CHAIRMAN. This item was not estimated for for the next fiscal year?

Mr. BONAPARTE. No, sir. Of course, the buildings do not cut up to advantage; they are not intended for that purpose, and there is a loss to the Government undoubtedly from not being able to concentrate all the people belonging to one department in one place. There are a good many of these places in which we have to have wood fires and cannell-coal fires, which are expensive, and then there are the little spaces where, if they were reasonably heated, I could put clerks, but we can not comfortably heat them.

The CHAIRMAN. Was not this estimated for in the legislative bill?

Mr. BONAPARTE. As far as I am concerned, I should have been rather unwilling to do it if I could have seen any way to avoid it.

The CHAIRMAN. The reason I asked, it is not a deficiency?

Mr. BONAPARTE. It is not, strictly speaking, a deficiency in the sense of being something that we could not get along without. Of course, we have all along had some hopes that we might get better accommodations.

P. L. PETERSEN.

The CHAIRMAN. The next item is at the top of page 80 in regard to Guard Petersen?

Mr. BONAPARTE. Guard Petersen was wounded in the jail at Fairbanks, Alaska, on January 29, 1906. Two prisoners threw pepper in his eyes as breakfast was being served in the jail, and one of them attacked him with a case knife and the other prisoner attacked another guard. Petersen was stabbed seven times, twice in the abdomen, requiring two operations to ligate the arteries. Bills for his treatment have been presented amounting to \$693. He was totally incapacitated for a period of four weeks and lost his salary during that time. We allowed him to return to work, at least Mr. Moody did, on the 26th of February, 1906, although he was still in a very weak condition.

UNITED STATES COURTS.

MISCELLANEOUS EXPENSES.

The CHAIRMAN. The next item is:

For payment of such miscellaneous expenses as may be authorized by the Attorney-General, for the United States courts and their officers, including the furnishing and collecting of evidence where the United States is or may be a party in interest, and moving of records, for the fiscal years, as follows:

For the fiscal year nineteen hundred and eight, thirty thousand dollars.

You already have had a deficiency of \$25,000 for the same purpose?

Mr. BONAPARTE. Yes, sir. There is an available balance of about \$77,000 only. There is a balance due on requisitions submitted for expenses of the June quarter of \$40,660. Direct settlements from

the Treasury average about \$120,000 a year, and we have payments yet to make on such settlements covering about three months, or one-fourth of a year. There will, therefore, be about \$30,000 more paid on direct settlements. The requisitions on file are, of course, in many cases believed to be excessive, but there are many other requisitions which may be submitted later.

We feel that the \$40,000 will be pared down doubtless, but there will be other things coming in.

The expenses of the Hyde, Benson, and Diamond trial have been made chargeable against the regular appropriations for United States courts, and the marshal for the District of Columbia has requested \$10,000 for miscellaneous expenses in this case. Then there will be large expenses for transcripts of cases removed to the Federal courts in the new State of Oklahoma. That is probably the most urgent thing of all. It is almost impossible to know how to forecast that. Considering the above in connection with the fact that the expenses of the first half of this fiscal year, including the quiet months of July and August, have been found to be over \$260,000, it is believed that it will be advisable to request an additional appropriation of \$30,000.

The CHAIRMAN. I would like to inquire whether your Treasury balance includes the \$25,000 deficiency you received this year?

Mr. BONAPARTE. I think it does.

The CHAIRMAN. The next item is a deficiency for the fiscal year 1906, under the same heading, of \$250.25?

Mr. BONAPARTE. There were some small things.

The CHAIRMAN. The same is true of the next two items?

Mr. BONAPARTE. Yes, sir.

RENT OF ROOMS FOR UNITED STATES COURTS:

The CHAIRMAN. The next item is: "For rent of rooms for the United States courts and judicial officers, \$10,000."

Mr. BONAPARTE. That was on account of the delay in the admission of Oklahoma. They thought there would be a larger saving under that appropriation than there turned out to be.

The CHAIRMAN. The delay in the admission of Oklahoma necessitated the occupancy of the rooms that were previously occupied by the Federal courts longer than anticipated?

Mr. BONAPARTE. Yes, sir. It was thought that she would come in several months sooner.

SUPPLIES, UNITED STATES COURTS.

The CHAIRMAN. The next item is: "For supplies for United States courts and judicial officers, \$287.74."

Mr. BONAPARTE. That is for money needed to cover the bills of railroad companies.

The CHAIRMAN. That is for the fiscal year 1907?

Mr. BONAPARTE. Yes, sir. These bills were not submitted until too late.

The CHAIRMAN. Is the appropriation for 1907 exhausted?

Mr. BONAPARTE. I suppose it is. I am not informed on that point, but I presume it is; otherwise they would not have put it in.

The CHAIRMAN. Were these things authorized in excess of the appropriation?

Mr. BONAPARTE. I suppose that it turned out that they were. I do not know exactly what the facts were in connection with them.

The CHAIRMAN. Have the bills been audited?

Mr. BONAPARTE. I think so.

Mr. GAUSS. On account of going through the quartermaster's department it takes some time to get around. That probably accounts for the delay. They have to go through the Army quartermaster's department and the railroad offices and it takes some considerable time.

PAY OF BAILIFFS AND CRIERS.

The CHAIRMAN. The next item is, "To supply a deficiency in the appropriation for pay of bailiffs and criers of United States courts?"

Mr. BONAPARTE. That is mainly for the Hyde, Benson, and Dimond case. We had a deficiency appropriation of the same amount, but almost immediately the marshal of the District of Columbia came down on us for \$4,000.

The CHAIRMAN. Has he appointed more bailiffs?

Mr. BONAPARTE. I suppose he has.

Mr. KEIFER. They have an army of witnesses here?

Mr. BONAPARTE. Yes, sir; a great number of them.

Mr. KEIFER. Does he use bailiffs to serve these witnesses in that far-off distance?

Mr. BONAPARTE. I think it is for the expenses of the jury and things of that kind.

The CHAIRMAN. It could not be for that.

Mr. BONAPARTE. Meals and lodging. It says: "And such payments shall be allowed the marshal in the settlement of his accounts with the United States; of meals and lodgings for jurors in United States cases and of bailiffs in attendance upon the same, when ordered by the court." I suppose that is probably what it is mostly for.

SUPPORT OF UNITED STATES PRISONERS.

The CHAIRMAN. The next item is, "For support of United States prisoners, \$500?"

Mr. BONAPARTE. That arises from the fact that the jailer at Chattanooga, Tenn., refused to accept the per diem rate which the Government allows for the support of United States prisoners in county jails throughout the eastern district of Tennessee. He refused it for some time, and this jailer's bills for the support of prisoners from September 4, 1904, to May 21, 1907, have remained unsettled up to the present time. Within the past few days the jailer has expressed a willingness to accept this rate in payment of his bills, I suppose finding that he could not get more. This is to meet that expense.

Mr. KEIFER. This closes up that gap?

Mr. BONAPARTE. Yes, sir. Owing to existing law, all balances of annual appropriations are covered into the Treasury after three full fiscal years from the date the appropriation becomes available; consequently the appropriation for support of prisoners for 1905 is no longer available for the expense of that portion of the jailer's bills chargeable to that year, which amounts to about \$500.

The CHAIRMAN. This \$500 would pay for that period of time at the rate which the Government theretofore paid and has since paid?

Mr. BONAPARTE. Yes, sir.

The CHAIRMAN. This does not include the excess that he demanded?

Mr. BONAPARTE. No, sir. The rate paid in this district is 40 cents per day. The jailer refused to accept that amount, demanding 60 cents, which the Department declined to allow. He simply did not get anything.

REFORM SCHOOL, DISTRICT OF COLUMBIA.

The CHAIRMAN. The next item is: "For support of inmates, including storeroom supplies and other necessary articles and supplies, for the Reform School, Washington, District of Columbia, \$4,500?"

Mr. BONAPARTE. I have a letter from the vice-president of the board of trustees, in which he says:

This is the first request for an appropriation of this nature ever submitted by this board, and the reasons are briefly as follows:

During the fiscal year 1907 our garden and farm supplies, upon which we largely depend, fell short because of excessive rains, and as a result it became necessary to purchase supplies, ordinarily realized from the farm and garden, with current funds.

In the fiscal year 1907 also occurred the fire which destroyed our main building, including storeroom and hospital supplies, bedding and bedsteads for dormitories, kitchen utensils, tableware and dining-room furniture, clothing material and clothing for inmates, for which, including also certain repairs, there was appropriated in the deficiency act of February 27, 1906, the sum of \$4,500. The replacing of these articles and making needful repairs, however, cost the school much more than this amount, the excess being taken from funds which could otherwise have been used for current supplies.

In order to avoid a deficiency at the close of the fiscal year 1907, the purchase of needed supplies was deferred until funds were available from appropriations for 1908, so that the school started the fiscal year very much behind its usual financial status.

In addition, the board has been confronted with the continuing increase in the cost of nearly every kind of supplies required for the school.

Every effort has always been made in the direction of economy consistent with health and efficient service.

At this time the population of the school is 325 boys, a number never before equaled in the school's history, and present indications are toward a still further increase in its population.

The CHAIRMAN. I think that is all, unless there is something that you wish to submit to the committee.

PRINTING AND BINDING.

Mr. BONAPARTE. There is an item in regard to printing, but I infer the committee understands about that.

The CHAIRMAN. On page 95 there is the item, "For printing and binding for the Department of Justice, \$10,000." This deficiency added to your current appropriation makes the amount appropriated for printing for your Department the same as you estimated for the next fiscal year?

Mr. BONAPARTE. Yes, sir.

The CHAIRMAN. And just equal to the amount carried in the sundry civil bill?

Mr. BONAPARTE. Yes, sir. A large part of that is for eight or nine copies of session laws which we now have to furnish.

HYDE, DIMOND, AND BENSON CASES.

DEPARTMENT OF JUSTICE,
OFFICE OF THE ATTORNEY-GENERAL,
Washington, D. C., May 13, 1908.

HON. JAMES A. TAWNEY, M. C.,
Chairman, Committee on Appropriations, House of Representatives.

MY DEAR SIR: I have the honor to transmit herewith a copy of a letter just received from United States Attorney Baker, of the District of Columbia, relative to the payment of witnesses in the Hyde-Benson cases, this letter having arrived in the temporary absence of the Attorney-General, and being transmitted to you in accordance with the statement by telephone that it would be necessary for the committee to have an expression from the Department on the subject this morning.

Yours, very respectfully,

M. D. PURDY,
Acting Attorney-General.

OFFICE OF THE UNITED STATES ATTORNEY,
DISTRICT OF COLUMBIA,
Washington, D. C., May 12, 1908.

HON. CHARLES J. BONAPARTE,
Attorney-General, Department of Justice, Washington, D. C.

MY DEAR SIR: I beg to acknowledge your letter of the 11th instant, inclosing a letter from Hon. Julius Kahn relative to legislative action for the relief of witnesses in the Hyde-Dimond-Benson-Snyder case. You ask me for any appropriate suggestions in the premises and an estimate of the amount of money which would be required should action be taken as suggested.

The witnesses summoned in this case have come from various points throughout the Western States. Under the provisions of the urgent deficiency bill approved February 15, 1908, witnesses are allowed only the per diem fee of \$1.25 and actual reasonable expenses of travel in coming from and returning to their places of residence. The general law allows 5 cents a mile for travel, which considerably exceeds the actual expenses and ordinarily suffices to repay a witness for his loss of time and provides him with sufficient funds to meet his living expenses while absent from his home as a witness; but the departure of the act of February 15, 1908, limiting the allowance in this particular case to actual traveling expenses and \$1.25 per day while in attendance upon the court, has unquestionably worked a great hardship upon many of the witnesses subpoenaed. They have been required to leave their homes and business, spending as much as twelve days in travel, without any pay, and while in attendance upon court have been compelled to use their own money for living expenses, the per diem allowance being wholly inadequate to meet the cost of living in this city. I understand that in many cases witnesses in the employ of others have suffered the loss of their salaries while absent from their duties in obedience to the summons of this court, or have been forced to hire substitutes in their places.

In view of the evident injury thus inflicted, I feel it only proper that some provision be made to repay the witnesses who have been subpoenaed outside of the District of Columbia. A total of 100 witnesses has thus been summoned by the Government, and a motion is pending for an order of court to bring from the West certain witnesses on behalf of the defendants at the cost of the Government, by virtue of the provisions of the act of February 15, 1908. Counsel for defendants inform me that the number of persons to be so subpoenaed will not exceed 25. Thus the total number of witnesses for whom provision should be made will not exceed 125. Of course it would be impracticable to attempt to repay each witness the actual financial loss suffered in each individual case, for an ascertainment of the actual loss sustained in particular instances would be almost impossible. An approximate calculation of the time lost by each witness, including travel from and to their homes and attendance at court, may be placed at twenty-five days. After a careful consideration, I have concluded that an allowance of \$3 per diem to each witness for the actual loss of time incurred would be a fair and reasonable provision. At these figures it would take the sum of \$9,375 to meet the requirements. This estimate is necessarily only an approximation, but I have no doubt that \$10,000 will be ample, and in order to secure an amount which may be safely accepted as sufficient I would suggest that the appropriation be placed at \$10,000. Any legislative action of this nature should provide for the filing of an affidavit by the witness setting forth the number of days actually spent in travel. The court record contains the days of attendance in court, and therefore the affidavit need not include a statement of the witnesses as to their attendance.

In reply to the telephone message of Mr. Gauss, for a statement of the total amount of the per diem expenses for witnesses summoned, and the actual traveling expenses of such witnesses, I beg to say that the total amount paid by the marshal, through the close of yesterday, May 11, is \$19,129.73, which covers a total of 79 witnesses. This makes the sum of \$757.50 for per diem expenses of such witnesses, and \$18,372.23 for traveling expenses. Estimating upon this basis for the total expenses of all the witnesses to be summoned at the cost of the Government, namely, 125, the entire amount of defraying the expenses of witnesses will equal the sum of \$30,270, to be paid under the provisions of the act of February 15, 1908. Of this sum, \$1,200 is apportioned as per diem fees, and \$29,070 as traveling expenses.

Very respectfully,

DANIEL W. BAKER,
United States Attorney, District of Columbia.

MONDAY, May 11, 1908.

POSTAL SERVICE.

STATEMENT OF HON. JAMES T. McCLEARY, SECOND ASSISTANT POSTMASTER-GENERAL, MR. GEORGE G. THOMSON, ASSISTANT CHIEF CLERK, AND MR. A. M. TRAVERS, CHIEF CLERK, OFFICE THIRD ASSISTANT POSTMASTER-GENERAL.

MAIL MESSENGER SERVICE.

The CHAIRMAN. Page 85, mail messenger service, \$47,000. Your current appropriation is \$1,380,000.

Mr. McCLEARY. The reasons for this deficiency are three in number. In the first place, the present appropriation is \$15,000 less than the estimate made to the committee. In the second place, there has been an increase in the cost of service. In the third place, there has been 849.86 miles of increased service—about 850 miles.

The CHAIRMAN. Do you know the reasons for the reduction of your estimate by the Committee on the Post-Office and Post-Roads?

Mr. McCLEARY. No, sir; I was not connected with the service at that time.

REGULATION, SCREEN, OR OTHER WAGON SERVICE.

The CHAIRMAN. The next is for regulation, screen, or other wagon service, \$46,000. Your current appropriation is \$1,275,000, and the estimate was \$1,246,000.

Mr. McCLEARY. This deficiency is due to the fact that the present appropriation of \$1,275,000 is \$25,000 less than the sum estimated as necessary for the service. In the second place, the cost of the new service in the third contract section, which became effective July 1, 1907, was \$41,361.93 in excess of the estimate of the cost of that service. The third contract section, Mr. Chairman, is a great section which comprises the eight States of Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, and Missouri. There is more postal service required there than in any of the other contract sections, and the increase exceeded even the expectations of the Department.

NECESSARY OFFICIAL EXPENSES, ASSISTANT SUPERINTENDENTS, RAILWAY MAIL SERVICE.

The CHAIRMAN. For necessary official expenses of assistant superintendents railway mail service not covered by per diem account, \$400.

Mr. McCLEARY. These assistant superintendents of the railway mail service are a force of 24 or 25 men who represent the office in the field. For example, we are now weighing in the second contract section, which is that part of the United States south of Virginia and the Ohio River, and east of the Mississippi River. Before a weighing begins, we send these men into the section to be weighed to spend some weeks there in order to ascertain the normal conditions. They then remain there during the weighing period to see that nothing abnormal arises. We also need them in connection with the contract service for the star routes to examine into questions of dispute. Sometimes the Department thinks that there are certain routes not required, while perhaps a Representative in Congress thinks they are; while in order to ascertain all the facts in the case, we send these men to look into the matter; and sometimes after the service has been let, it is found that the bids are too high, and by sending a man there we can secure a reduction.

The CHAIRMAN. Is your appropriation exhausted?

Mr. McCREARY. No; we have \$326, but the average expenditure is a little over \$700. The reason why there is a deficiency is that since the appropriation was made of \$2,500, the Postmaster-General has authorized these men to charge up, in their expense accounts, their Pullman sleepers. Before that they were not allowed to do that. It seemed to be a fair charge, and they were allowed to enter that as a part of their expense. Before they could travel days and avoid the sleeper, but we thought that they had better travel at night and enable us to have their service in the daytime; and that it would be an economical way of spending money.

POST-OFFICE DEPARTMENT.

INDEXES AND FILING DEVICES.

The CHAIRMAN. For indexes and filing devices, \$1,500.

Mr. THOMSON. Mr. Chairman, there is little to add in any statement that may be made here to what has been said in a letter from the Department concerning this subject—that is, we just need the money. We are hard up for additional filing devices and cases in which to file papers.

The CHAIRMAN. You have an appropriation for this purpose this year?

Mr. THOMSON. Yes.

The CHAIRMAN. How much?

Mr. THOMSON. One thousand five hundred dollars.

The CHAIRMAN. And that appropriation is exhausted?

Mr. THOMSON. No, sir; we still have some of that left, but we have on file in our office requests for filing devices, things that we buy out of this appropriation if allowed, which will aggregate more than what we have asked for, things that seem to be necessary on account of—for one thing, recommendations made by the Postal Commission, expert accountants, which investigated the business methods of the Department, and to carry out recommendations by them we need filing devices of various kinds.

The CHAIRMAN. Is there any economy in the use of these devices?

Mr. THOMSON. Oh, yes; considerable. This takes the place of the use of what is generally known as card-index systems. Instead of using cumbersome boxes, and instead of the things we can buy of our Government printing allotment, we use this system which costs less money and is a better system.

PURCHASE, EXCHANGE, AND KEEPING HORSES AND WAGONS—REPAIRS.

The CHAIRMAN. The next item is for purchase, exchange, and keeping of horses and wagons, and repair of wagons and harness, to be used only for official purposes, \$1,000.

Mr. THOMSON. In our letter to the committee we submitted reasons for this amount.

The CHAIRMAN. How much did you receive in the urgent deficiency bill under this item?

Mr. THOMSON. Seven hundred and fifty dollars, I believe it was.

The CHAIRMAN. One thousand two hundred dollars.

Mr. THOMSON. One thousand two hundred was it? Well, we have \$100 left of that now.

The CHAIRMAN. The Post-Office Department has not gone into the livery business, has it?

Mr. THOMSON. Oh, no; but since we have had this annex over at First and K streets northeast, it has been necessary to provide some vehicle in which to transport clerks and officials from one building to the other instead of using street cars all the time. We purchased a wagon, started with a carryall, for something like \$200. That was some time ago, and that vehicle has rapidly disintegrated and will fall to pieces probably in a month or so.

The CHAIRMAN. When was it bought?

Mr. THOMSON. Hardly a year ago.

The CHAIRMAN. Who manufactured it?

Mr. THOMSON. I don't know. We bought it from a secondhand dealer here. We hadn't the money to buy a new one.

The CHAIRMAN. How far is it that you have to transport officials and clerks?

Mr. THOMSON. I should say about a mile and a half or two miles.

The CHAIRMAN. What is the occasion for transporting clerks back and forth between the annex and the Post-Office Department?

Mr. THOMSON. We have to transport messengers, too, carrying papers and documents. There are five large divisions of the Department located over there, and the Assistants Postmaster-General who are in charge of those divisions are in the Post-Office building, and all letter mail of course has to come and go.

The CHAIRMAN. How many horses has the Department now?

Mr. THOMSON. We have six. The Department uses two, one in a light wagon and one in this carriage, so called.

The CHAIRMAN. Who uses the other four?

Mr. THOMSON. They are in the Postmaster-General's stable.

The CHAIRMAN. Is this for the purpose of buying additional horses?

Mr. THOMSON. It is not intended to use this for horses at all if we get it. We want to buy a serviceable carriage, which will cost between \$400 and \$500. We want to buy some harness for the wagon horses and the horses that draw this carriage, and we want to get some ordinary stable equipment. Our current appropriation is so small that

we are just barely able to buy feed for the horses and pay for the shoeing. We can not buy blankets, or a whip, or any of the small necessities of the stable.

The CHAIRMAN. The current appropriation is \$1,500, and you have had \$1,250 already, making \$2,700.

Mr. THOMSON. As the Postmaster-General explained when he was here at the time of the urgent deficiency bill hearings, the money appropriated in that bill was used exclusively in buying a team of horses for the Postmaster-General, and for repairing one of his carriages—painting it—and buying two sets of harness.

The CHAIRMAN. If I recollect the testimony of the Postmaster-General, it was to the effect that the team of horses which he had at that time for his personal use was too heavy and that he was going to put that team on a wagon.

Mr. THOMSON. That is so; that has been done. It is a black team, one used on the delivery wagon, and one on this carriage that I have been speaking about; and the two horses we formerly had were turned in as a part payment on the new team that we bought, and which we are now using in the carriage.

The CHAIRMAN. Has he four horses in the stable?

Mr. THOMSON. Yes.

The CHAIRMAN. All belonging to the Government?

Mr. THOMSON. Yes; I know that to be a fact.

The CHAIRMAN. How many did his predecessors have?

Mr. THOMSON. The same number.

MISCELLANEOUS ITEMS, TYPEWRITERS AND ADDING MACHINES.

The CHAIRMAN. The next item is for miscellaneous items, including the exchange of typewriters and adding machines, \$2,000. Your current appropriation is \$18,750.

Mr. THOMSON. Well, there is no actual deficiency there either. We are asking for this additional money in order to buy typewriters and adding machines to place the various divisions of the Department in a position to do the work.

Mr. KEIFER. You use the word "exchange." Does that mean exchanging old ones for new ones?

Mr. THOMSON. Yes, sir; we turn them in as part payment.

The CHAIRMAN. It is only forty-five days until your new appropriation becomes available; you only have forty-five days more of the current year.

Mr. THOMSON. The annual appropriation will not do it when it becomes available.

The CHAIRMAN. Is this an anticipated deficiency for next year that you want to make up; a supplement of the annual appropriation?

Mr. THOMSON. There is one division in the Department where we have requests now for five adding machines and some long-carriage typewriters to carry on the work of that division.

The CHAIRMAN. How much of the \$18,750 remains unexpended at this time?

Mr. THOMSON. I have not got the exact figures here. We properly apportioned that appropriation, however. This is the second month of the last quarter. I am not just sure what amount we have left, but I can get that and send it up. But the fact remains that right

now we have requests in the office for typewriters and adding machines that aggregate \$3,443.28.

The CHAIRMAN. Who passes upon these requests.

Mr. THOMSON. The chief clerk of the Post-Office Department.

The CHAIRMAN. Has he approved of it?

Mr. THOMSON. No; they have not been approved at all. These requests have been put in the chief clerk's office by the various departments.

The CHAIRMAN. He has not approved them yet?

Mr. THOMSON. No, sir.

Mr. KEIFER. Does he approve them before he buys?

Mr. THOMSON. In a measure. Of course, the requests are made on the purchasing agent of the Department; he purchases them. But the chief clerk of the Department does not approve requests at all. He knows or not that he has the money to pay for them.

The CHAIRMAN. Is that the only thing that controls the action of the chief clerk in approving? Does he not also pass upon the question of whether or not they are actually necessary?

Mr. THOMPSON. Yes, of course; we scrutinize every request very carefully before it is filled.

PAYMENT OF LIMITED INDEMNITY, REGISTERED MATTER.

The CHAIRMAN. For the payment of limited indemnity for the loss of pieces of first-class registered matter on account of fiscal years, 1908, \$15,000; 1907, \$15,000, and 1906, \$5,000.

Mr. TRAVERS. In 1906 there was an appropriation of \$6,000, and out of that there has been expended \$4,523.23, leaving a balance unexpended of \$1,476.77. We have to-day in the Department unpaid claims in 492 cases which aggregate—

The CHAIRMAN. Against the fiscal year 1906?

Mr. TRAVERS. Chargeable against the fiscal year 1906, aggregating \$4,369.44. In 1907 there was an appropriation of \$5,000. We expended \$2,746.45, leaving an unexpended balance of \$2,253.55. There are at present 1,280 claims pending which have been passed upon and adjudicated, involving—these claims have not been finally approved, but they are in the field and in the hands of inspectors—involving \$10,843.32, charged to 1907. In 1908, \$5,000 was appropriated. We have expended to date \$431.77, leaving unexpended a balance of \$4,568.23, and to date there are 977 claims pending involving \$8,887.34.

The CHAIRMAN. What proportion of the claims pending are usually allowed and paid?

Mr. TRAVERS. About 50 per cent of the claims that are filed usually become indemnity cases.

The CHAIRMAN. So that 800 claims for 1908 would have to be paid?

Mr. TRAVERS. Mr. Buckler informs me that 977 represents the claims in the hands of the inspectors, and will become a charge against the appropriation unless a collection is made from the person at fault, the mail contractor, or the postal employee, after responsibility is fixed. The claims are actual.

The CHAIRMAN. As to the year 1908, the status of your present appropriation is what?

Mr. TRAVERS. The balance unexpended is \$4,568.23.

The CHAIRMAN. And the number of claims?

Mr. TRAVERS. Nine hundred and seventy-seven in the Department now.

The CHAIRMAN. And they aggregate how much?

Mr. TRAVERS. \$8,887.34, and there is over another year to run; and also there might be several claims developed this year.

The CHAIRMAN. Is there any time limit on the right to file?

Mr. TRAVERS. They have to file within one year from the date of the loss.

The CHAIRMAN. Then they have one year within which to file after the date of the loss?

Mr. TRAVERS. Yes. I may say that the amount of loss involved on account of the claims of 1908, the money loss, is \$104,609.51, and we will be required to pay only \$8,887.34 of that amount. If we do not get an appropriation for this, the Auditor will have to come to you and ask for a deficiency. It will be at one end of the line or the other.

TUESDAY, *May 12, 1908.*

PUBLIC PRINTING AND BINDING.

STATEMENT OF CAPTAIN HENRY T. BRIAN, ACTING PUBLIC PRINTER.

RENTS.

The CHAIRMAN. Captain, on page 92 of the bill before you, on the fourth line from the top, you will see the words "for rents." Is there any necessity for carrying that language along any longer?

Captain BRIAN. Yes, sir. We rent a warehouse and a stable.

The CHAIRMAN. Why do you not report in the annual Book of Estimates the buildings that you rent when you submit your estimates for the amount required for rent?

Captain BRIAN. We have always included the items for rent.

The CHAIRMAN. But the law requires all Departments when renting buildings to include in the appendix of the Book of Estimates the buildings that are rented.

Captain BRIAN. We had overlooked that.

The CHAIRMAN. How many horses have you?

Captain BRIAN. Twenty-eight.

The CHAIRMAN. What are you paying for the rent of the warehouse and stable?

Captain BRIAN. We are paying \$5,000 for the storehouse and \$2,400 for the stable.

The CHAIRMAN. Where is the storehouse located?

Captain BRIAN. It is located on the corner of L and First streets NE.

The CHAIRMAN. How large a building is it?

Captain BRIAN. It is a large building.

The CHAIRMAN. Do you utilize the old Government Printing Office building to its full capacity for storage?

Captain BRIAN. Yes, sir; and more.

The CHAIRMAN. What are the stores that are cared for in this storehouse?

Captain BRIAN. The principal thing we have is old documents for the Superintendent of Documents. That ought to be gotten rid of in some way.

The CHAIRMAN. Have you, since going into the new building, abandoned any of the buildings that you formerly occupied?

Captain BRIAN. Yes, sir. We abandoned one warehouse that we had adjoining the present warehouse that we occupy, and we abandoned two floors in the Union Building on G street, near Seventh.

The CHAIRMAN. What rent were you paying for those buildings?

Captain BRIAN. We paid \$5,000 for the warehouse and \$13,000, I think, for the two floors of the Union Building. We had two floors and a half, I believe. We paid \$4,000 for the other floor, I think.

The CHAIRMAN. Who owns the warehouse that you rent?

Captain BRIAN. Wilbur F. Nash owns the warehouse and stable. His address is 22 M street NW.

PRINTING FOR CONGRESS.

The CHAIRMAN. You have submitted a deficiency estimate for printing amounting in the aggregate to \$500,000 for the fiscal year ending June 30, 1908, and \$170,000 for 1907.

Captain BRIAN. Yes, sir.

The CHAIRMAN. Will you explain the reason for the deficiency, first, of 1907?

Captain BRIAN. The only excuse is that the appropriation was overrun. The orders were larger than the appropriation.

The CHAIRMAN. Is there any exceptional cause for that?

Captain BRIAN. No. I do not know of any.

The CHAIRMAN. How do you arrive at the deficiency estimate for 1908?

Captain BRIAN. It is the amount of money that it will take to run the office for the balance of the year.

The CHAIRMAN. On what do you base that? On the amounts expended during the previous months of this fiscal year?

Captain BRIAN. Well, it is less than that. We will be very much hampered to get through on that amount.

The CHAIRMAN. We have here, Captain, deficiency estimates from almost all of the Departments. If those are allowed can this \$500,000 be reduced?

Captain BRIAN. No, sir; I think not.

The CHAIRMAN. What printing, then, will be paid out of the \$500,000 after Congress adjourns?

Captain BRIAN. Printing for Congress.

The CHAIRMAN. After Congress adjourns?

Captain BRIAN. Yes, sir.

The CHAIRMAN. What is the character of the printing that will be required after Congress adjourns?

Captain BRIAN. Documents that Congress ordered, laws, and finishing up the Record.

The CHAIRMAN. If the amounts estimated by the different Departments are allowed, then all of the \$500,000 would have to be expended on printing for Congress?

Captain BRIAN. Practically. Of course we do not know that the whole of the \$500,000 will be expended, but I think that will be neces-

sary. We have at the present time only \$269,000 available. The expenses for labor last May and June were \$587,321.35.

The CHAIRMAN. Can you tell us, Captain, how this \$170,000 deficiency was created?

Captain BRIAN. Mr. Stillings always claimed that he was misinformed by the bookkeeper; that the bookkeeper did not give the correct figures. That was his claim on it, and I believe it is a correct one.

The CHAIRMAN. And therefore he went on and did work on the assumption that there was that amount of money available when practically there was not?

Captain BRIAN. Yes.

The CHAIRMAN. Has the money been expended, this \$170,000, or is it for bills that have been audited?

Captain BRIAN. Oh, no; not a dollar of it has been expended. We have contracts and orders covering it, but the money has not been paid, of course. I want to correct that amount. What we need for that is \$166,973.68. The Navy Department owes us \$7,000. If we can collect that—and I believe we can; they say we can—that can be reduced that much more, making \$159,973.68.

PRINTING AND BINDING, TREASURY DEPARTMENT.

STATEMENT OF MR. GEORGE SIMMONS, CHIEF OF DIVISION OF PRINTING AND STATIONERY.

The CHAIRMAN. Mr. Simmons, you represent the Treasury Department?

Mr. SIMMONS. Yes, sir.

The CHAIRMAN. They have submitted a deficiency estimate here of \$30,000 for printing. What was the amount of your current appropriation?

Mr. SIMMONS. Three hundred and twenty-five thousand dollars.

The CHAIRMAN. How much remains unexpended?

Mr. SIMMONS. I was advised by the Government Printing Office that we had about \$5,000 the other day.

The CHAIRMAN. What is your monthly expenditure for printing?

Mr. SIMMONS. The allotment would be about \$27,000 of that appropriation. That is the average allotment, but of course we overran that for the last few months.

The CHAIRMAN. Did you ever have any experience such as was described a moment ago by the representative of the Interstate Commerce Commission, of ordering printing in one year and having the work done in the next, and paid out of the next year's appropriation?

Mr. SIMMONS. That is the system I think the Comptroller requires. For instance, you may have estimates or requisitions in that will amount to \$40,000 on the estimates, but these requisitions may not be filled at the end of the year, and the work that goes over, as I understand it, is charged up to next year's appropriation. I think two years ago about \$17,000 of our money went over. Last year some \$5,000 or \$6,000 went over in that way. I think the Comptroller held that it must be done in that way.

The CHAIRMAN. Captain Brian, is that ever done where the work has been performed in the fiscal year in which the requisition was sent to the bureau for printing?

Captain BRIAN. No, sir. We cut off everything close at the end of the year.

The CHAIRMAN. And you charge against the appropriation of that year the work that is done in the year?

Captain BRIAN. The work that is done. We could not get any money to do it in any other way. The Treasury shuts down on us as soon as the year is up, and we have to commence anew.

Mr. SIMMONS. Under these conditions, Mr. Chairman, it is very difficult toward the end of the year to find out or understand how you are going to stand.

The CHAIRMAN. I should think it would be difficult for the Departments to keep track of their appropriations or allotments.

Mr. SIMMONS. Yes, sir.

The CHAIRMAN. Have you estimates for printing during the remainder of this year that will require this \$30,000 of deficiency?

Mr. SIMMONS. I was advised by Captain Brian's bookkeeper that we would need about that amount of money to carry us through.

Mr. BRUNDIDGE. Is that on orders that you have already given? How would the bookkeeper know what you would need to carry you through?

Mr. SIMMONS. It would have to be an average, a guess, I suppose.

The CHAIRMAN. Your average is about \$27,000 per month?

Mr. SIMMONS. Twenty-seven thousand dollars a month would be the average on the appropriation. We will overrun that this year. Up to March and April we kept well within that \$27,000, but within the next two months we will need more money.

The CHAIRMAN. Do you know whether or not the Department has ordered more printing during the current year than the last preceding fiscal year?

Mr. SIMMONS. You mean on material ordered?

The CHAIRMAN. Work and more printing done?

Mr. SIMMONS. There were four very heavy jobs.

The CHAIRMAN. What were they?

Mr. SIMMONS. I had them in this letter. There is a new edition of the Customs Regulations that is in type and will soon be out. I will read this. I am speaking here [reads]:

The deficiency is due to two principal causes: First, the increase in cost for work done by the Public Printer, as shown by the reports of Messrs. Havenner and Rossiter made to the President, and, second, to unexpected, unusual, and extraordinary calls for printing by the Department, which could not be anticipated. In the latter class are specifications for the construction of new public buildings, office of the Supervising Architect of the Treasury, \$6,500; new edition of the Customs Regulations, \$6,400; Compilation of Custom Laws and Decisions Thereunder Rendered by the Courts and the Board of General Appraisers, \$7,500; and Bulletins 41 and 44 of the Public Health and Marine-Hospital Service, \$7,000—a total of \$27,400.

The CHAIRMAN. How much do you estimate on account of increased cost of printing? Have you any general average of the percentage of increase of cost this year over last year?

Mr. SIMMONS. Well, there would necessarily be an increase, Mr. Chairman, on account of the basic rate charged on composition and work. For instance, we had at first 70 cents an hour, and it was raised to a dollar an hour. Then we are asked an 80-cent rate now. Of course that makes quite an increase in the cost. I have not figured it out. I think Mr. Havenner and Mr. Rossiter made it amount to 30 or 40 per cent. I have not figured on it myself.

PRINTING AND BINDING, INTERSTATE COMMERCE COMMISSION.

STATEMENT OF HON. EDWARD A. MOSELEY, SECRETARY.

Mr. MOSELEY. The fact is that we do not really control, under the present régime in the Government Printing Office, our printing fund. The estimate is one thing and the price is another. It is the most difficult thing in the world to keep run of it. I have here some data showing that we have paid the Government Printing Office three times what we would have had to have paid for the work outside, and I have the documents to prove it; three times, at least.

The CHAIRMAN. Do you know the reason of that increase?

Mr. MOSELEY. The fact is I do not think the Public Printer runs the office as he should; that is the reason.

The CHAIRMAN. The cost of labor has increased from 70 cents to \$1 an hour. In other words, you have been getting your printing done for less than it costs the Government.

Mr. MOSELEY. I do not understand why the Government can not get its work done just as cheaply as anybody else?

The CHAIRMAN. If they paid the same wages as other people do and worked the same hours that might be possible.

Mr. MOSELEY. Mr. Chairman, the sort of spirit you have in the organization means everything.

The CHAIRMAN. How much is your deficiency?

Mr. MOSELEY. Ten thousand dollars. The point is that the Interstate Commerce Commission is like a new toy and everybody in the country is pouring in requests for information. Congress directs us to make an investigation in regard to coal and oil. We send it to Congress and then everybody all over God's earth has got to see a copy of it. The same is true in regard to corporate relations, and it costs money. I really think as far as the printing of the Interstate Commerce Commission is concerned that it will not be as large in two or three years as it is now.

The CHAIRMAN. How much is your current appropriation for printing?

Mr. MOSELEY. Sixty thousand dollars. We do not spend it. The Government Printing Office spends it, and the fact is when you appropriate money which the Public Printer spends it is pretty hard to control it or be responsible for it, Mr. Chairman.

The CHAIRMAN. They do not spend it except on work that you authorize.

Mr. MOSELEY. Here is another thing. We order to-day something that is going to cost a thousand dollars. The Government Printer does not get around to it until sometime next July and it is not taken out of this appropriation, which we know about, the appropriation for this year, but the Public Printer takes it out of the appropriation for next year, and therefore it is very difficult to know where you stand.

The CHAIRMAN. Are there many instances of that kind, where you order the printing in one fiscal year and it is charged to the next fiscal year?

Mr. MOSELEY. Yes, sir.

TUESDAY, *May 12, 1908.*

PRINTING AND BINDING, COURT OF CLAIMS.

STATEMENT OF MR. ARCHIBALD HOPKINS, CHIEF CLERK.

The CHAIRMAN. You have a deficiency here of \$5,000 for printing?

Mr. HOPKINS. Yes, sir.

The CHAIRMAN. What is your current appropriation?

Mr. HOPKINS. Fifteen thousand dollars.

The CHAIRMAN. How much of that appropriation remains unexpended?

Mr. HOPKINS. Nothing; they have used it all up.

The CHAIRMAN. The appropriation is entirely exhausted?

Mr. HOPKINS. Yes, sir. Under the joint resolution of March 30, 1906, it was provided that all printing which came to Congress and was ordered to be printed here should be charged to the appropriation of the bureau or department where it originated. We send to Congress constantly reports, findings of facts, and they are printed here, not for our use in any way; we make no use of the printing, but under this new joint resolution—

The CHAIRMAN (interrupting). They are printed for Congress?

Mr. HOPKINS. Yes, sir; they are printed for Congress. Instead of charging it to your appropriation this year it has been charged to ours. That amounts to \$3,500, and that is what causes the deficiency.

It is a very interesting thing. The Printing Office sent us an estimate on March 27, 1907, that it would amount to \$40. On the 7th of May I received this letter:

You will please find inclosed a revised statement of \$3,500 for work to be done under requisition No. 4146, which calls for 40 copies of "All Reports to Congress (Printed by Congress), Originating in the Court of Claims."

In connection with this subject I wish to inform you that the allotment of \$15,000 for printing and binding for the Court of Claims for the current fiscal year is now exhausted, the total of bills rendered to date being \$13,228.93, and the estimated cost to complete unfilled requisitions (including requisition No. 4146) being \$4,334.70, and to respectfully suggest that if, as seems necessary, a deficiency appropriation is desired by the court, this could doubtless be had on request to the House Committee on Appropriations, which is now considering the general deficiency bill.

The CHAIRMAN. What was the original estimate?

Mr. HOPKINS. Forty dollars.

The CHAIRMAN. And the revised estimate?

Mr. HOPKINS. Three thousand five hundred dollars. The printing—I have counted it as closely as possible—amounted to about 1,350 pages, taking the matter that we have ordered printed up to date.

Mr. KEIFER. How much does it amount to?

Mr. HOPKINS. One thousand three hundred and fifty pages. That is what they charged \$3,500 for. It seems a very excessive charge.

The CHAIRMAN. Mr. Brian, we have rather a remarkable and unusual condition here. Somebody in your office submitted an estimate for the cost of printing for the Court of Claims, matter sent to Congress by the court, of \$40, and you subsequently sent a revised estimate showing that the cost of that same printing would be \$3,500?

Captain BRIAN. Yes, sir.

The CHAIRMAN. Can you give us an explanation of that discrepancy?

Captain BRIAN. Yes, sir; that occurred this way. They sent a little document to Congress. The estimate clerk made an estimate on that document, not for the whole work, but for that one document. Everybody knows that that amount would not pay for all this printing.

Mr. HOPKINS. That is true.

Captain BRIAN. The clerk made an estimate on that one document, the only thing he had before him to estimate on.

Mr. HOPKINS. There is another thing which we can not understand. On the account which they give us of the way our appropriation stands at the foot, dated April 1, is this statement:

P. S.—After deducting charges for all delivered work and estimates for all work in hand—

And that pretty nearly covers this work—

there is an available balance remaining of the allotment of \$2,099.02.

That is on April 1, and then on May 7 we get this statement that there will be a deficiency and that this \$3,500 has been charged against us.

Captain BRIAN. The \$3,500 had never been charged. That is the matter you sent to Congress from day to day.

Mr. HOPKINS. That is the matter that comes out of our appropriation and is not printed for our use in anyway.

Captain BRIAN. And that matter has been explained to this committee.

The CHAIRMAN. We understand that. We had the same trouble a year ago.

Mr. BRUNDIDGE. Mr. Hopkins stated that all the printing for which this \$3,500 was charged, as near as he could estimate, included about 1,350 pages?

Mr. HOPKINS. Up to date.

Mr. BRUNDIDGE. I want to ask if you consider the charge of \$3,500 a reasonable or proper charge for 1,350 pages of printed matter?

Captain BRIAN. That charge is correct; I do not know the number of pages.

Mr. BRUNDIDGE. The charge is correct, regardless of the number of pages?

Captain BRIAN. That charge is correct; I do not know the number of pages.

Mr. KEIFER. If there were but 1,350 pages, would the charge be correct?

Captain BRIAN. Yes, sir.

Mr. BRUNDIDGE. Why would the charge be correct if there were only 1,350 pages?

Captain BRIAN. I do not know the number of pages, but the clerk went over that very carefully. I know the clerk who was working on it.

Mr. HOPKINS. That may have covered an estimate of still further work to be done; I do not know about that.

TUESDAY, May 12, 1908.

PURCHASE OF DEPARTMENT SUPPLIES.

STATEMENTS OF HON. JAMES R. GARFIELD, SECRETARY OF THE INTERIOR, AND MR. S. W. STRATTON, DIRECTOR, BUREAU OF STANDARDS, AND CHAIRMAN OF THE SUBCOMMITTEE ON SUPPLIES, KEEP COMMISSION.

The CHAIRMAN. Mr. Secretary, at the bottom of page 100, section 3, of the general deficiency bill, there is a provision in relation to the purchase of miscellaneous supplies for the various Departments of the Government, which reads as follows:

Hereafter all supplies of fuel, ice, stationery, and other miscellaneous supplies for the Executive Departments and other Government establishments in Washington, when the public exigencies do not require the immediate delivery of the article, shall be advertised and contracted for by the Secretary of Commerce and Labor, instead of by the several Departments and establishments, upon such days as he may designate. There shall be a general supply committee in lieu of the board provided for in section thirty-seven hundred and nine of the Revised Statutes as amended, composed of officers, one from each such Department and other Government establishment in Washington, designated by the head thereof, the duties of which committee shall be to make, under the direction of the said Secretary, an annual schedule of required miscellaneous supplies, to standardize such supplies, eliminating all unnecessary grades and varieties, and to aid said Secretary in soliciting bids based upon formulas and specifications drawn up by such experts in the service of the Government as the committee may see fit to call upon, who shall render whatever assistance they may require. The committee shall aid said Secretary in securing the proper fulfillment of the contracts for such supplies, for which purpose the said Secretary shall prescribe, and all Departments comply with, rules providing for such examination and tests of the articles received as may be necessary for such purpose; in making additions to the said schedule; in opening and considering the bids, and shall perform such other similar duties as he may assign to them: *Provided, That* the articles intended to be purchased in this manner are those in common use by or suitable to the ordinary needs of two or more such Departments or establishments; but the said Secretary shall have discretion to amend the annual common supply schedule from time to time as to any articles that, in his judgment, can as well be thus purchased. In all cases only one bond for the proper performance of each contract shall be required, notwithstanding that supplies for more than one Department or Government establishment are included in such contract. Every purchase or drawing of such supplies from the contractor shall be immediately reported to said committee. No disbursing officer shall be a member of such committee. No Department or establishment shall purchase or draw supplies from the common schedule through more than one office or bureau, except in case of detached bureaus or offices having field or outlying service, which may purchase directly from the contractor with the permission of the head of their Department or establishment: *And provided further, That* telephone service, electric light and power service purchased or contracted for from companies or individuals shall be so obtained by him. All laws and parts of laws inconsistent with this section are hereby repealed.

It came to the notice of the committee two years ago that there was a very great amount of duplication and also a great variety of similar articles and supplies purchased in the different Departments without any regard to standards or without any regard to uniform specifications and at varying prices. The matter was first brought to our attention by Mr. Keep, who was, as you know, Assistant Secretary of the Treasury. The recommendation of the Keep Commission was considered by this committee, and after a great deal of consideration and study of the subject the committee, with the aid of a gentleman from the Department of Justice and several others, drafted

this provision. The matter was also submitted to Mr. Keep. The proposition recommended by the Keep Commission was not adopted, for the reason that when we came to analyze it it did not work out in detail satisfactorily. This is simplified very much from the plan approved by the Keep Commission; it was the best that we thought could be obtained and would accomplish the purpose sought, namely, uniformity of specification and standardization of supplies that are common to two or more Departments and uniform prices and better administration, and effect considerable economy in the purchase of supplies used by the Departments.

In view of your familiarity with the administrative Departments here and your study of the question, we thought that we would ask you to come here this morning and state whether or not, in your judgment, some provision of this kind for the standardization of miscellaneous supplies is necessary, and whether or not it would be of advantage and result in any economy in the expenditure of the appropriations made for that purpose.

Mr. GARFIELD. Such a provision would be of the very greatest advantage to all the Departments, both as affecting the economy and affecting the readiness and ease with which supplies can be obtained.

From the experience I have had in two different Departments and the study given this question as a member of the committee to which you have referred, I am fully aware of the wide difference in the prices that are paid in even the same Department and certainly in different Departments for exactly the same article, and likewise by the method now in vogue of each Department making its own contracts, and in many instances each bureau in that Department making its own contracts there is a constant tendency to increase the number of the different kinds of the same article used. For example, instead of confining in one Department the use to two or three standard envelopes or a few standard kinds of ink or mucilage, supplies of that kind, each head of a division or each bureau will attempt, not intentionally, but will attempt to select that which he thinks best adapted to his work, and as a result they have a great many different kinds of an article which ought to be standardized. Every additional unnecessary article or character of article of course means additional expense, and the smaller the number used the greater the price paid. It is therefore perfectly clear to me that all of these supplies for the Government could be standardized, and they can be standardized perfectly well if such a committee be organized as is suggested in this proposed amendment, and the Bureau of Standards, which is organized for exactly that work, be so used and its officers so used as to make possible the standardization of all of these general Government supplies. Such a committee could likewise simplify the form of the specification, and under the contract which would thereafter be made it would give to each Department the advantage of selecting or using the contract which offered the lowest price.

The CHAIRMAN. I would ask you if it would not also do this: It would also give notice to all the manufacturers engaged in the manufacture of articles which the Government uses in the various Executive Departments as to the standard of the article and each would thereby become a competitor with the other for manufacturing the exact article which the Government does require in these specifica-

tions and to come up to the standard fixed by the Government and tend to reduce the cost of the articles in that way?

Mr. GARFIELD. It would, without doubt. At present each manufacturer is endeavoring to use his own peculiar standard and to induce the officers of the Government to buy that standard of article and as a result, of course, often the bids are not comparable. They are not bidding on an article which is just as good as that which is used, whereas if they had a standard which could be fixed for almost any of these staple articles the result would be as the chairman has indicated; the bids would be centered in that standard and we would get the advantage of the lowest and cheapest price. I do not know of any one change that will accomplish more in the way of the reduction of unnecessary expense than just such a provision as you have suggested here.

I am endeavoring to work out a plan of this kind, as far as the law permits, in the Interior Department, and I have found exactly the same conditions to exist there that I knew existed in the Department of Commerce and Labor and its bureaus, and if we had this central body, as suggested, it would make it very easy to carry out the plan recommended by the subcommittee of which Doctor Stratton was the chairman and reduce very largely the expense of supplying the Government with its articles.

The CHAIRMAN. In your investigation of this matter did you find that the different Departments and various bureaus in the various Departments were using a great many different kinds of the same article—that is, like lead pencils, pens, inks, and things of that kind?

Mr. GARFIELD. They were, as I believe, unnecessarily using those different kinds, and, furthermore, this plan would make it possible for the Government to deal as a single individual or a single corporation would deal in the purchase of supplies. It is all coming out of the common Treasury and each Department should be permitted to take advantage of the lowest contract that can be obtained, and if the contract covers, as it would under such circumstances, a very much larger number of articles we would necessarily have a lower price.

I find under the existing law, where the bids are submitted as they are now, the same bidder would offer to one division or to one office a price that was higher than the price they would offer to another office, simply because the quantity used in that office was less. There is no reason why there should not be but one contract and one bid, primarily, for all those articles, so we could get the advantage of the lowest price.

Mr. KEIFER. You would have a depot of supplies?

Mr. GARFIELD. That would work out after the plan was established to see whether or not it would be necessary. The committee went into that very carefully and my impression is—Doctor Stratton will remember that—that we did not recommend that because we thought, in the first place, it would require too much machinery to establish a central depot of supplies for distribution, but that each Department would order under the contract directly from the contractor in accordance with its own needs.

Mr. STRATTON. That is right.

Mr. GARFIELD. In connection with one question which I think the chairman asked, as to the War Department, this would not at all interfere with the purchase of those supplies, but it would give the

other Departments the opportunity to take advantage of contracts that they might have and would make it possible for those Departments as well to use the machinery of the Government which the Bureau of Standards has for standardizing its own material. I understand they are already using the Bureau of Standards for that purpose.

Mr. STRATTON. Yes, sir.

Mr. GARFIELD. The more we can use the Bureau for such purposes the greater will be the economy in our purchases, and the plan suggested by this proposed amendment in the bill will afford the simplest sort of machinery for the development of the plan and for the accomplishment of the purpose which this amendment proposes.

Mr. KEIFER. Would it not require an additional provision in this section to authorize the Interior Department to buy of the quartermaster?

Mr. GARFIELD. I think not.

Mr. KEIFER. There is no law now and I think it would require a provision.

The CHAIRMAN. I do not think any other Department would take advantage of the provisions of the contracts made with the War Department.

Mr. GARFIELD. The specifications which this committee would prepare and the bids upon those specifications might very readily cover the article which the War Department is now using and similar articles which the other Departments are using. Then, if those bids for the War Department were made under that committee's specifications, of course the other Departments would have the opportunity of using it, but if they were made under specifications and bids made by the War Department under existing law then, you are quite right, the other Departments could not take advantage of it.

Mr. KEIFER. The Navy and War Departments buy fuel and various things in very large quantities for various purposes each year and as I understand they use from that, I do not know to what extent, in the Executive Departments. I am only trying to find out if that would harmonize it. I am not very familiar with the subject.

The CHAIRMAN. One difficulty heretofore in the administration of the existing law grew out of the construction of the words "miscellaneous supplies." This provision obviates that difficulty by defining "miscellaneous supplies" to mean supplies that are common to two or more Departments, so that provision would obviate all the difficulty that the Departments heretofore have experienced on account of the varying construction put upon the words "miscellaneous supplies?"

Mr. GARFIELD. Yes, sir.

The CHAIRMAN. I have a letter dated January 22, 1908, which I want to read. [Reads:]

NEW YORK, January 22, 1908.

S. W. STRATTON, Esq.,

Chairman Subcommittee on Supplies, Washington, D. C.

DEAR SIR: By request of Mr. George Simmons, of your committee (purchasing agent of the Treasury Department), I take the liberty of addressing you with the hope that I may be able to put one more nail in the coffin of the (to me) inconsistent method of purchasing supplies, as far as the stationery goes, of the Government of the United States.

It is best, perhaps, to explain briefly the circumstances of my visit to Washington and the Departments, that you may understand just why I came in contact with conditions quoted and the reason I had for stating to Mr. Simmons my views which led him to ask me to write them to you as chairman of the subcommittee, and thereby set him and myself right in the matter.

I may state Mr. Simmons gave me, after our talk, the "Report to the President by the Committee on Department Methods, Purchase of Department Supplies," which I read with considerable interest and heartily approve of, especially the "recommendations" on pages 10, 11, and 12 of the report.

Without using names (as it might reflect upon innocent persons, who most likely acted in the purchase of the goods in question without full knowledge of the conditions necessary to get the full benefit of their purchases), I will state:

The manufacturers of an article used to some extent in all the Departments asked me to go to Washington and look into conditions and see what could be done to further the use of their goods. I spent one month in Washington upon this business, and, of course, went as deep into the matter as it was possible; perhaps deeper than it was quite proper for me to go, so far in fact as to see certain figures that gave me inside information; but I was there for that purpose, and I got the information in my own way—perfectly honorable, honest, and effective. I will state that I can verify my statements, if desired.

I am not in a position to speak of the general line of stationery, and so will confine my statements to the machine and supplies for same that I represented.

As to the variation in price, I found and saw the machine delivered with bill and voucher to one Department at a price 16½ per cent below cost (I take cost as the lowest cash price in large quantities at the factory); and in other Departments at different prices up to 66½ per cent profit, and, of course, it was the same machine, as there is but one style and grade, and all these prices were quoted by the same contractor. I also saw prices of supplies at a difference of from a fraction under 6 per cent profit to 150 per cent profit in different Departments, and all from the contractor above referred to.

I also found departments where the whole Department was supplied from one purchasing department, and in other Departments where each bureau did its own purchasing, with the result that the delivery, being in smaller lots, of course was higher.

In one Department where I sold, the whole supply required was purchased at one time, and in another Department the supplies were purchased on separate requisitions and at different times, so that, adhering strictly to our regular prices as to quantity, the first-mentioned Department, by combining their order in one delivery, derived an advantage of 40 per cent over the other on the same goods. I also found where one Department had purchased our machines from one contractor and the supplies from another, and then complained to us that our machine would not work, and when I called to see why, I found that the supplies were not our goods and were not made for the machine, or if they were they would not fit into it, and therefore worthless, thereby entailing at least loss of time if not loss of money.

I also found that the knowledge of how to properly word the estimates for bids on our machines was not general, and that the way it was worded left the way open for fraud, not on the part of the purchaser (as I found them uniformly honest gentlemen, who gladly accepted the information as to how to word bids to get the best results, and in my presence changed the wording so as to have it correct in the next estimate), but on the part of the contractor, as I will explain.

Our supplies are uniformly packed in boxes of 5,000, but to meet a certain demand where the machine desired is but very seldom used we have packed supplies in boxes of 500, as you will see when the estimate calls for "a box" the Department may want 5,000 (and in fact never wants less, but usually from 25,000 to 100,000 or from 5 to 20 boxes of 5,000 each), but the stationer puts in his bid for "a box" at what appears a low figure and another puts in a much higher bid, and when the lowest one is accepted the Department gets "a box" of 500 and it is strictly according to contract, which said "one box," while the bid for 5,000 would most likely be much lower in proportion; so you see the method is open to underhand dealing; but I am sure where the estimates in the past were so worded they will be changed.

I also found bureaus which, while the Department purchased presumably for the whole, purchased our goods in the "open market" when and where desired and one such, not knowing of our quantity-price, has been for years purchasing in lots of 100,000 at a difference between our 100,000 price and the price paid by them of 20 per cent, and they were purchasing cheaper than other Departments in the same quantities on contract, while the general purchasing of the Department of which this bureau was a part were purchasing for very much less than the bureau in question.

All of the above simply goes to show that there should be some system used in the purchase of supplies, for where so many things so absolutely inconsistent are found,

all bearing upon the purchase of one machine and its supplies, there is certainly need for improvement somewhere.

Of course it is to the advantage of the general contractor to have the present conditions continue, as thereby he can "rob Peter to pay Paul" and sell one thing at a loss to get favor in his bid on something else, and in the end he does not lose; and if I were contracting in a general way, might prefer the present method. However, unbusinesslike as it may be, if I fail to sell to one purchaser I still have plenty more to get orders from. I also think that where the manufacturer or his special representative and a contractor have equal priced bids, the manufacturer should have the order from business reasons, especially in any mechanical device, as he is in a better position to repair or correct defects without delay than a local dealer, and such repairs will in time be needed in all machinery, and usually delay is expensive, while defects in metal can not be known until the machine has been in use some time, and when they do show repair should be prompt and save unnecessary wear on the balance of the machine.

On articles other than mechanical the same conditions do not or can not occur (that is, damage from use as above stated), and I have therefore nothing to suggest.

Hoping you will find my experience in the Departments, as herein stated, of interest and helpful in convincing the Committee on Department Methods of the necessity of doing something in the matter, and expressing a willingness to further assist in any way that you may suggest, if you feel that I could in any way be useful, and with best wishes to you and your committee in your efforts, I am,

Yours, truly,

E. L. FREEMAN.

Is there anything further you would suggest as to the necessity for this provision?

Mr. GARFIELD. I think it has been quite fully covered. I should be glad to have Doctor Stratton give you in detail some facts that he found.

The CHAIRMAN. You are at the head of the Bureau of Standards?

Mr. STRATTON. Yes, sir.

The CHAIRMAN. You have given the subject of the purchase of miscellaneous supplies for the Departments some investigation and consideration, have you not?

Mr. STRATTON. Yes, sir.

The CHAIRMAN. You are familiar with this proposed section 3 of the general deficiency bill?

Mr. STRATTON. Yes, sir.

The CHAIRMAN. Will you state to the committee what you have found in your investigations which shows the necessity of some uniform system of specifications for those supplies, the necessity for standardizing, and what the effect will be if that could be accomplished?

Mr. STRATTON. We found when asked to take up this work of the subcommittee in connection with the purchase of supplies—

The CHAIRMAN (interrupting). I will ask you first if you were chairman of the subcommittee that made these investigations some years ago?

Mr. STRATTON. Yes, sir.

The CHAIRMAN. I will read the question I asked you last year:

Will you state to the subcommittee how extensive your investigation was, what conditions you found in the different Departments with respect to the purchase of supplies under the existing law, and what recommendations your committee has made?

Mr. STRATTON. The committee was composed of a representative of each of the Departments and several independent offices. The members of the committee were, as far as possible, the purchasing agents of the Departments. The committee found several things: First, that there was very little, practically no cooperation between

these purchasing agents; second, they had entirely different notions as to what constituted an exigency, a miscellaneous expense, or a general expense. There was no uniformity in the Departments as to the methods of making purchases or the classification of supplies. We found also that there was absolutely no uniformity as to the number or variety of the articles used. The general policy of each purchasing agent seemed to be to get whatever was asked of him; that he was in a certain way to run a general store, and that it was somewhat of a reflection upon the storekeeper to have articles called for. The conditions found by the committee were essentially as stated by Secretary Garfield.

The CHAIRMAN. What did you find in respect to different Departments and independent offices preparing their own schedules and what variations did you find, if any, in those schedules thus prepared?

Mr. STRATTON. Each Department, and in many cases separate bureaus, prepare their own schedules, solicit their own bids, and make contracts. In every case these schedules were from two to four times as large as they ought to be. I believe that one schedule could be prepared for the entire Departments which would be less than half the size of the present schedule of any one Department and would contain less than a quarter of the number of articles.

The CHAIRMAN. A year ago you stated:

We found that there is a very great diversity in the articles purchased, and needless duplication. More than that, we found that in many cases improper specifications, or no specifications at all, were prepared, and very little was done in order to see that the articles purchased complied with the specifications.

Is that the condition you found?

Mr. STRATTON. Yes, sir; we found that to be the case. That results from the fact that the purchasing agents are in most cases looked upon as clerical experts. Their duties are regarded as clerical rather than those of experts. These purchasing agents need the assistance of experts. These experts in many cases are men who have given a great deal of study to a particular class of articles, whereas the purchasing agents are often concerned more particularly in the business transactions involved in the contracting for and distribution of supplies; they can not be experts in the technical matters involved. Furthermore, purchasing agents change from time to time, and I think there would be greater uniformity in their methods if they were brought together in a committee of this kind. They would be compelled to cooperate, and each one would see the good points that were being adopted by the other Departments. I think that the meetings of the subcommittee did a great deal of good toward bringing about a better state of affairs. The members of the committee were surprised to find the great diversity in these purchases, the needless duplication, and great variety in almost every article purchased. They were impressed with the necessity of a change, and many of them went right to work and during the past year there has been a decided tendency through all of the Departments to carry out this very idea as far as it relates to the standardization of supplies.

The CHAIRMAN. Take the matter of specifications for ink, pencils, and pens, what did you find in respect to the diversity in those articles?

Mr. STRATTON. We found in all of those articles that there was a needless diversity in the articles purchased.

The CHAIRMAN. How is ink purchased by the Departments, by the barrel or in small quantities?

Mr. STRATTON. Usually in small packages on account of distribution to the different offices, and sometimes in larger quantities, but not very often.

The committee found that very few of these articles were properly specified or tested. There would be exceptions to that. In some bureaus an article would be bought according to good specifications and tested, but in others this was not done. The Treasury Department had done much toward preparing specifications for certain articles, and the Agricultural Department had done a great deal of good work along that line. The utilization of these specifications is not at all common; it is confined to a few isolated cases. There has been no means for bringing about uniformity. I am sure that proposed plan would not only result in a very great saving to the Government, but would secure better and more appropriate articles; it would bring about a better understanding between the Government as a purchaser and manufacturers.

The CHAIRMAN. What have you to say as to the advantage and economy in standardizing these miscellaneous supplies?

Mr. STRATTON. The advantage would be great; that is a thing very badly needed. In the purchase of these supplies it is often impossible to make proper tests, because the articles have not been correctly specified. The preparation of standard specifications is most important, and without them there is constant friction between the manufacturer and the purchaser.

In regard to the question asked by Mr. Keifer as to whether the proposed plan would apply to the purchases of the Quartermaster-General, I would state that the recommendations of the committee applied only to the purchases of supplies in the Departments. I believe the military and naval services are held to be separate from the Departments as far as the purchases are concerned; however, these services should be allowed to cooperate with the Departments whenever it is to their advantage to do so. This plan will not in any way affect the technical purchases of those services, but it should allow them to take advantage of these contracts.

Mr. KEIFER. Do you except them from this provision?

Mr. STRATTON. I think so.

Mr. KEIFER. You put in a provision excepting them?

Mr. STRATTON. That is not necessary. Mr. Tawney had that looked up last year.

Mr. KEIFER. Are there not a great many things that the Quartermaster, for instance, furnishes for the War Department, the executive branch, and all that out of the common supplies that he buys for various purposes all over the country in connection with the Army; buying in large quantities, he supplies some part of the Executive Department?

Mr. STRATTON. Not to any great extent. The supplies of the Quartermaster's Department are peculiar to the uses of the military work.

Mr. KEIFER. I understand; but does not the Quartermaster furnish stationery for all of the officers that are on duty in the War Department?

Mr. STRATTON. I think not. I am not sure about it.

Mr. KEIFER. I am not sure, but I had the impression that he furnished a great many things there that came through him that are necessarily connected with the Army in some sense, because army officers come here and are on duty in the Judge-Advocate-General's office or the Surgeon-General's office.

Mr. STRATTON. This provision would except such purchases of the quartermaster, but he should be allowed to take advantage of these common contracts.

Mr. KEIFER. That is right. For instance, an officer is ordered here for various purposes; he is on detached duty or detailed duty, and he has to have certain prescribed supplies in running his office in the War Department building. Does he not get them from the quartermaster?

Mr. STRATTON. I think not, and I will tell you why I think so. We had as a member of the committee Major Thorp, of the War Department, and his duty, as I remember it now, was to purchase and distribute the supplies in the War Department—supplies that pertain to the office of the Secretary of War.

The CHAIRMAN. In the hearing before the committee last year this occurred:

Mr. LITTAUER. That covers how wide a field? All miscellaneous expenditures? What is the custom now in all the Departments? Do they buy all their miscellaneous requirements through advertisement?

Mr. STRATTON. Yes, sir.

Mr. LITTAUER. And on the submission of bids?

Mr. STRATTON. Yes, sir; but one of the facts brought out in this investigation, and one of the most interesting, was that no two Departments have the same definition of "miscellaneous expenses" or of "exigency." In some the term is construed very liberally indeed: In others it means an entirely different thing. Generally speaking, "miscellaneous expenses" means expenditures for office supplies, for the things that are in common use. That is the interpretation that the committee made of the term "miscellaneous expenditures"—articles used by all the Departments alike; as, for example, ink, paper, pencils, and general supplies.

This would not, therefore, conflict at all with the purchase of any supplies for the naval establishment or for the Army, or supplies used in connection with the departmental service. That is all it applies to—to miscellaneous supplies that are common to the use of two or more Departments. They can not purchase out of the army appropriation a dollar's worth of miscellaneous supplies for use in the Department. All of the miscellaneous supplies are appropriated for in the legislative appropriation bill and must be paid for from those appropriations. The same is true of the Navy Department. They used to forage in the Navy Department upon the appropriations made for "Increase of the Navy" by purchasing some miscellaneous supplies in the Department. Two years ago we carried a provision absolutely prohibiting that. The fact is it was put on by the Committee on Naval Affairs at my suggestion. I prepared a provision prohibiting the use of any money appropriated for the naval establishment or "Increase of the Navy" for the purchase of miscellaneous supplies in the Department. It was for the purpose of keeping the appropriations and these expenditures distinct that Congress put this inhibition against the use of these appropriatoin.

Mr. KEIFER. The use of the word "miscellaneous" is where the trouble starts. Without being at all familiar with how they interpret that word in either the Navy or War Department, I am perfectly

certain that the War Department supplies most of their offices, especially those of the commanding general——

The CHAIRMAN (interrupting). Here in Washington?

Mr. KEIFER. Yes, sir.

The CHAIRMAN. They can not do that; the law prohibits it.

Mr. KEIFER. I would like to have a quartermaster brought before the committee to see what he does do.

Mr. STRATTON. I want to point out another fact which I think is exceedingly important in connection with all this. The Government requires purchasing agents to solicit bids and it is generally supposed that the lowest bid will be accepted; not necessarily, but the tendency——

The CHAIRMAN (interrupting). As a general rule?

Mr. STRATTON. Yes, sir; as a general rule, the lowest bid is accepted. Now, that is a good policy to follow, provided we insist on getting the thing that is purchased.

The CHAIRMAN. The thing that is specified?

Mr. STRATTON. Yes, sir. I do not know of anything that is needed more in connection with these purchases than some efficient method of protecting these purchasing agents in the accepting of lowest bids.

The CHAIRMAN. Protecting them from being imposed upon by the contractor in furnishing an article of an inferior quality from that which is specified?

Mr. STRATTON. Yes, sir; we had a marked case of this kind during the past year in connection with the purchases of the Light-House Board. It referred to paints and oils. These to a large extent may be and should be put on a common schedule. The bidder whose contract was accepted, probably intentionally, of course I can not say definitely, has been submitting paints and oils that are adulterated. Some of them are gross adulterations.

The CHAIRMAN. Can you give us any information as to the extent of the adulteration in paints, oils, and varnishes?

Mr. STRATTON. I do not have them here at the present, but I gave them to the committee when I appeared before it in connection with the legislative bill. There are plenty of good manufacturers in every line of these supplies, men who expect to do the right thing and who are willing to do the right thing, but they can not compete with another class of manufacturers whose object is merely to get an article passed. Unless we have proper specifications and proper tests, in order to hold these contractors up to the standard, then the Government is going to favor the disreputable manufacturer at the expense of the good one. I think that is probably the most important thing in connection with this whole subject.

The CHAIRMAN. You are familiar with this section?

Mr. STRATTON. Yes, sir.

The CHAIRMAN. After the investigations you have made as to the purchases of miscellaneous supplies and your familiarity with this section, do you think it is practicable and entirely workable?

Mr. STRATTON. I do. I think that it is not only workable, but that it can be introduced with little increase of machinery.

The CHAIRMAN. Or any increased expense?

Mr. STRATTON. Without any increased expense for the present. I can not say as to the future; but it ought to be done with less expense

as to the solicitation of bids and awarding of contracts. The testing of supplies would involve additional expense, as it is not done now to the extent that it should be.

The CHAIRMAN. The expense of administering this provision would be unappreciable as compared with the present administration of the purchases?

Mr. STRATTON. Yes, sir. If we were beginning in this manner, and if there were no establishments in the various Departments for purchasing, the expense would be small as compared to what it is now. There is always objection to introducing a new thing, and there will be some little friction to begin with, but in the end I am sure there will be a reduction of expense.

The CHAIRMAN. The expense of administration?

Mr. STRATTON. Yes, sir. There will be a great reduction in the end.

Mr. KEIFER. Will it be necessary to build up a bureau for the purchase of supplies?

Mr. STRATTON. No, sir.

Mr. KEIFER. Does not the provision provide for that?

Mr. STRATTON. No, sir.

The CHAIRMAN. The members of this committee are employees of the various Departments, and as long as you keep them in the Departments you can not create an independent bureau.

Mr. KEIFER. You keep them in the Departments and you make a bureau, and it will be the biggest bureau in the city after a while, of that character.

Mr. STRATTON. I think the increased expense is going to come in the increased facilities needed for testing some of these supplies, but that is money that is well spent—it is economy in the end.

Mr. KEIFER. I think so.

Mr. STRATTON. But as to the administration, as to the amount of time and expense necessary to make the Government purchases of these articles, it will require less than now——

The CHAIRMAN (interrupting). By one organization?

Mr. STRATTON. Yes, sir; the time and expense would be reduced by concentration.

The CHAIRMAN. What do you estimate would be saved to the Government in the purchase or expense for miscellaneous supplies?

Mr. STRATTON. It would be very difficult to give such an estimate. It would amount to thousands of dollars, I am sure; and more than that, it would amount to our getting better supplies for less money.

Mr. KEIFER. All standards is your idea?

Mr. STRATTON. Yes, sir; as far as possible.

Mr. KEIFER. I think that is the best feature of it all.

Mr. STRATTON. The question of standardization is not only an important one, but it is a very difficult one.

Take the subject of ink. In order that we might find out something about these different supplies we took up several cases two years ago, took them up experimentally. Ink was one of them. A few days ago the Department sent us samples of inks submitted in connection with next year's purchase of supplies. I suppose there were a dozen of them, and I was astonished to find that some of them should be submitted for sale under the name of "ink." The worst kind of stuff, and yet in that lot of samples there were three or four that fulfilled the specifications for good ink. It is a difficult matter to prepare

specifications; in many of the cases it goes back to making an investigation of the properties of the material. The specifications can only be prepared after the most careful investigation of the composition of the article, its use, and sometimes its process of manufacture. The specification is a definition of an article based upon its properties and its use, but without suitable tests they are useless.

Mr. KEIFER. When they are furnished?

Mr. STRATTON. Yes, sir; when the articles are furnished. The Bureau of Standards, with its limited equipment, could not go into this matter thoroughly, but it has taken up a few of the more important articles in common use, and as a result of those investigations I am sure all the advantages that have been claimed for the provision in question will certainly be gained.

Here is a question that came up the other day and I could give you many such illustrations from our exceedingly limited experience of a few years. The Auditor or Comptroller claimed that a voucher could not be signed by an indelible pencil. The question was submitted to the Bureau as to whether records prepared by these pencils were permanent. It turned out that the original record is as permanent as that of any lead pencil—a lead pencil is permanent so far as the changes due to light are concerned, but that the copy made from these pencils is not at all permanent. The only object of using these pencils is that letter-press copies may be made.

Mr. KEIFER. Is not one of the objections to the pencil that it is liable to erasure?

Mr. STRATTON. Yes, sir; that is another thing.

The CHAIRMAN. I think that is all, Mr. Stratton, and we are obliged to you.

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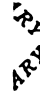
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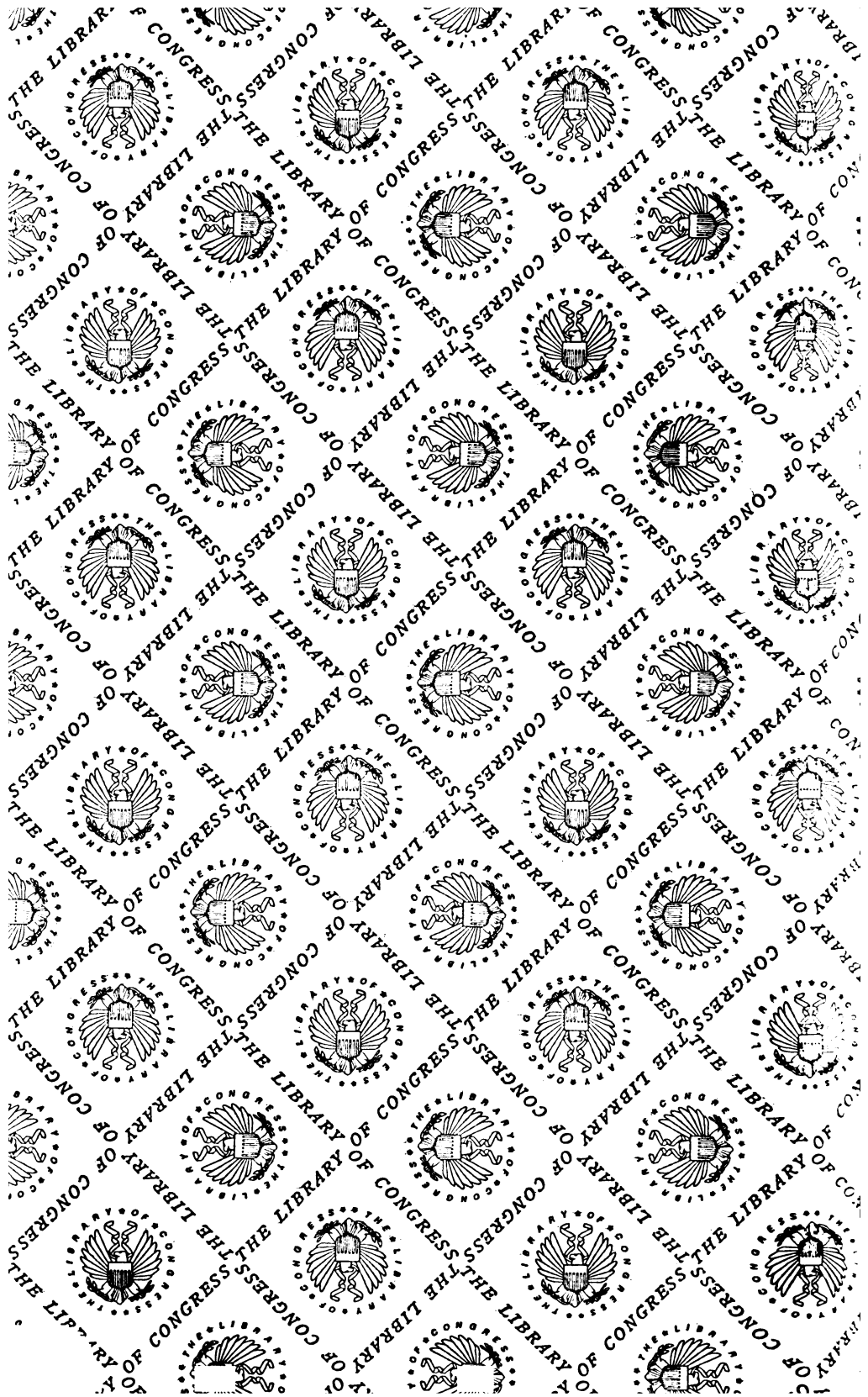


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